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SECTION'S

BUSINESS



MARCH 1935

The Jaded Lady Who Guards the Investor

The Fight on Price-Fixing Goes On

How You Can't Scamper Uncle Sam

Washington Correspondent • Business Map

100,000 CIRCULATION

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE
UNITED STATES, WASHINGTON



"This service has definitely INCREASED our SALES"



THE paper industry is another of the many that profit by the use of Bell System Teletypewriter Service. . . . The Kalamazoo Vegetable Parchment Company of Parchment, Michigan, specializing in bond and food protection papers, put in their first Teletypewriter in 1929, and connected it with their Chicago office.

"It proved its worth so quickly," says Mr. Jacob Kindleberger, president of the company, "that less than a year later we installed similar contact with our New York and Minneapolis offices. It has definitely improved our service to our customers and increased our sales."

75 to 100 Teletypewriter messages a day are transmitted between this company's Chicago sales office and Kalamazoo factory. Many are inquiries from customers asking for specific shipping dates; or release orders on contract sales. They are sent so quickly that production on rush orders can be started immediately in Kalamazoo and delivery made in Chicago next day.

Bell System Teletypewriter Service is so flexible, has so many uses, that it can probably help your company give better service and cut costs. Call the local Bell Telephone Company for details. There is no obligation, of course.

BELL SYSTEM TELETYPEWRITER SERVICE



Fleet Owners Agree BUSINESS NEEDED THIS FUEL-SAVING FLEET CAR

New Advanced Engine averages 25% less Gas and Oil!*

*New Plymouth Business Coupe Offers You:

Lower rear axle ratio...a greatly improved cooling system...economic life of the car is increased by as much as 33½%.

New small-bore carburetor and manifold...calibrated ignition...reduce gasoline and oil consumption as much as 25%.

Larger Hydraulic Brakes...longer wearing...life of tires greatly increased.

Mola Steel springs plus weight re-distribution (engine moved forward)...end driving fatigue.



IT HAD TO COME! Fleet owners needed it. With former discounts on gas and oil abolished, business car costs had become almost prohibitive.

It took more than a revamped passenger car to meet this problem. It took a new kind of automobile...the 1935 Plymouth Business Coupe.

Everything in this new car was designed for two purposes: for better performance in business use and to cut all operating

and maintenance costs to the bone!

There's a special small-bore carburetor and a new "centralizing" manifold that no other car has.

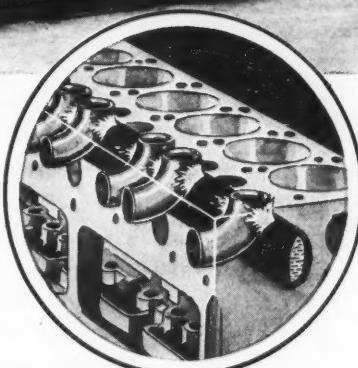
In conjunction with calibrated ignition and an improved cooling system, these features cut fuel consumption 25%.

No need for Premium Gas

In fact, the improved engine in this new Plymouth Business Coupe is of such an advanced type that despite its high compression (6.7 to 1) the use of premium gasoline is entirely unnecessary.

But the sensational economy of this new car is only one reason why so many fleet owners are switching to Plymouth this year. The extra safety and comfort it offers their salesmen are points they have chalked-up in its favor, as well.

With larger Hydraulic Brakes and a much stronger Safety-Steel Body than ever before, the new 1935 Plymouth Business Coupe provides the very best

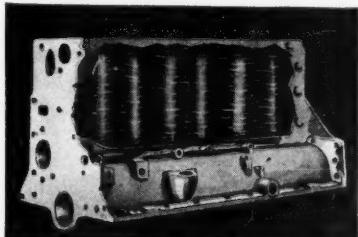


Directional water circulation assures additional economy by cooling all valves equally.

highway insurance that you can buy.

And nothing has ever been devised that can keep your men as free from driving fatigue, even on long trips, as this new Plymouth's "Floating Ride."

Any Dodge, De Soto or Chrysler dealer will give you the complete facts about the new 1935 Plymouth Business Coupe...or a demonstration, if you wish.



Full-cylinder-length water jackets greatly reduce engine temperature... save oil.

PLYMOUTH NOW \$565
ONLY

AND UP F. O. B. FACTORY, DETROIT

*World's Safest
low-priced Car*



HOW DITTO HELPS COLUMBIA NETWORK

Get the Right Program on the Air at the Right Time

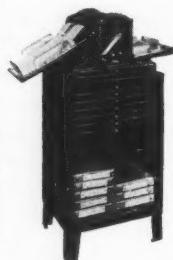
ON Columbia—the world's largest radio network—the work of getting the right program on the air at the right time must be absolutely synchronized. Every individual concerned must be kept informed, right to the minute, of all that is going on.

In this work, Ditto's ability to make copies of anything typewritten, handwritten or drawn, quickly, accurately and economically is of inestimable value to the Columbia Broadcasting Company. With Ditto they get out copies of schedules of programs; of operation sheets for the next day; of program corrections which often call for great speed, and of sales department orders for all concerned.

In addition, practically all continuities are reproduced on Ditto and much music for singers and orchestras. In all of this work the copies must be bright and clean-cut, and mistakes simply are "not allowed." Failure to synchronize all departments might upset the whole network and result in serious loss, both to the Columbia Broadcasting Company and to the concern sponsoring the program.

* * * *

Ditto's dependability, its speed, accuracy and economy in all duplicating jobs are saving large sums annually for large and small concerns in every line of business. You owe it to yourself as a progressive business executive to find out what Ditto can do for you. Write us for samples and facts. There's no cost or obligation.



DITTO, INCORPORATED, 2243 West Harrison Street, Chicago, Ill.

N. B.—3-35

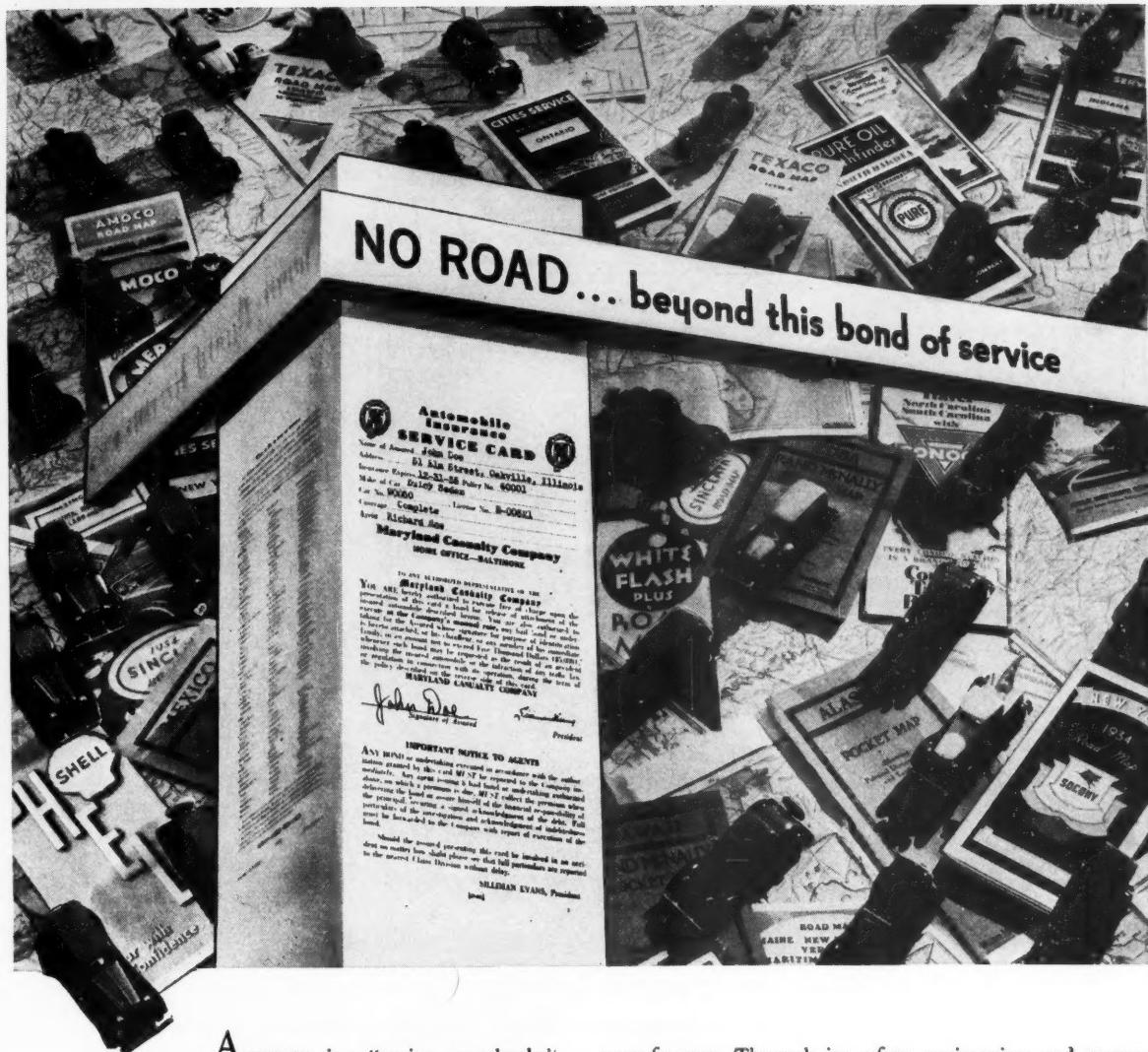
Gentlemen: Please give me full facts about Ditto . . . what it is and what it does . . . also, how it is saving large sums annually for concerns in every line of business. No obligation, of course.

Name Title

Concern Address

City State

DITTO INCORPORATED HARRISON AT OAKLEY BLVD CHICAGO, ILLINOIS



AMERICA is a "nation on wheels," owner of most of the world's automobiles. And with that ownership comes the need for protection against liability for accidents, slight or serious.

The Maryland renders this service to its policy holders paralleling every mile they drive. You can drive anywhere in greater North America...and that includes Alaska, Canada, Cuba, Porto Rico, Mexico, Canal Zone and Hawaii...and never be beyond the help of the Maryland. Day or night, the Maryland is no farther from you than the nearest telephone.

But providing nation-wide liability insurance for individual drivers and commercial fleet-owners is only one of the many services of the Maryland. It writes burglary and theft insurance for the home owner, the storekeeper or the

manufacturer. Through its safety engineering and power-plant inspection service, it safeguards the worker from accident and reduces idle machine hours. It bonds the trusted employee and the public official...helping both to discharge their duties more efficiently.

For 37 years the Maryland has served business and individuals by studying their problems and underwriting their hazards. Today, within the wide scope of casualty insurance and surety bonding, there is no road beyond its bond of service. Its broad protection serves business and industry, accelerates the employment of both capital and labor...helps build a greater America.

Behind your Maryland insurance policy are 10,000 Maryland agents, in every section of the country...no matter what road you may travel.

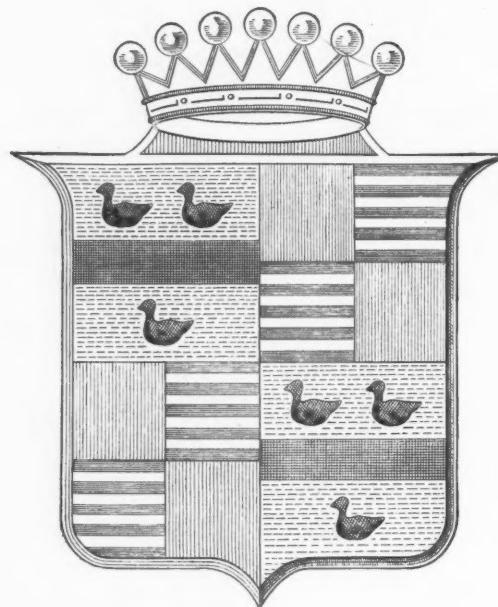
The Maryland writes more than 40 types of Casualty Insurance, including...Aircraft...Automobile...Accident and Health...Burglary...Boiler...Elevator...Engine...Electrical Machinery...Fly-Wheel...General Liability...Plate Glass...Sprinkler Leakage...Water Damage...Workmen's Compensation...More than 14 bonding lines, including Fidelity...Bankers' Blanket...Check Alteration and Forgery...Contract...Depository...Fraud...Judicial...Public Official Bonds

MARYLAND Casualty COMPANY

SILLIMAN EVANS, President

BALTIMORE

F. HIGHLANDS BURNS, Chairman of the Board



For more than thirty years this, the Cadillac Crest, has stood for the finest in quality-built motor cars. To the Cadillac clientele it is a guarantee of inbuilt fineness . . . to the Cadillac organization, an inspiration to maintain that standard of excellence which, throughout the years, has come to be the Standard of the World.

THE first Cadillac motor car was built to standards which produced the slogan, "Craftsmanship a Creed, Accuracy a Law." From that day to this, "Quality" has been the watchword of the entire Cadillac organization.

In 1915, for example, Cadillac made this statement: "In announcing its purpose years ago, this company said that Cadillac would create a new standard of values. . . . Today the Cadillac is in very fact the standard of the world."

In 1925 Cadillac restated its purpose thus: "Not for any consideration would Cadillac lower by a hair's breadth the standards which have established the confidence of its public."

Now, in 1935, Cadillac reaffirms its pledge. Cadillac will continue to build motor cars to quality ideals. The Cadillac Crest will continue to stand as a symbol of quality design, quality materials and quality craftsmanship in all cars that bear the distinguished Cadillac name.

*CADILLAC MOTOR CAR COMPANY
DETROIT, MICHIGAN*

Contents for March . . .

Grade Labeling of canned goods has been in effect in Canada 16 years but only one woman out of four, a survey shows, knew there were grades on the labels and only one in eight used labels as a guide in buying.

.....p. 9

Anyone who undertakes to get a clear idea of the implications of the pension and insurance measures advocated by the Administration will face questions as difficult as they are novel.

Merle Thorpe.....p. 13

The Securities Commission is not made up of witch finders. Chairman Kennedy believes that, as time goes on, it will be given the full support of business men.

Herbert Corey.....p. 15

Economic Planning can do little to eliminate poverty until our planners begin their planning where it will do the most good and where it is most needed.

Thomas N. Carver.....p. 18

The Attack on Holding Companies is to extend to other lines of business. It is an attack on big business in business generally.

W. M. Kiplinger.....p. 21

Shock Troops of Communism who handled the San Francisco strike last summer are not partial to any one community. They may repeat in some other city next time.

Frank J. Taylor.....p. 25

The National Debt is now equal to the national income and 21 cents out of every dollar goes for taxes. Forty years ago the debt was one-sixth of the income.

.....p. 29

Price Provisions of Codes were discussed at a four day hearing at which business men gave the NIRB the "benefit of their experience, suggestions and

opinions." More than 60 persons testified. Twice as many filed briefs.

Raymond Willoughby p. 31

The Chamber of Commerce idea hasn't made a dent in the consciousness of the people of my area. They know they may call upon it when in a jam but they feel that it is an institution like a church where they can get salvation without paying.

A Chamber of Commerce Secretaryp. 38

Feminine Feet, as well as heads, are kept dry by a new umbrella which has a pair of rubbers in the handle.

Paul H. Hayward.....p. 46

Ringing Door Bells, a young cement salesman uncovered small repair jobs requiring 1,500 sacks of cement in six weeks. Now he has a job tips service with salesmen and several subscribers.

.....p. 48

The Baby Bonds, new Government financing plan, appear on their face to resemble and compete with endowment insurance.

.....p. 77

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Number 3



CHAMBER OF COMMERCE OF THE UNITED STATES MERLE THORPE, Editor and Publisher

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As the official magazine of the Chamber of Commerce of

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Typists wanted TOUCH CONTROL



"It's so simple! Merely turn this dial. Touch Control makes every new Royal instantly and visibly adjustable to your individual finger pressure."



"After hours again?
You need one of
the new Royals.
Then you'd get
through on time!"



17 major improvements including Touch Control, Shift Freedom and Automatic Paper Lock (all exclusive Royal features) distinguish the new Royal as the most efficient typewriter ever made!

. . . more Royals were bought in U. S.
in 1934 than in any previous year!

First introduced last July, the new Easy-Writing Royal commanded instant attention. Its revolutionary features attracted the interest of typists and executives everywhere. From their experience with typewriters—their familiarity with all makes, they pronounced this latest Royal, Victory Model, the very zenith of perfection. Here was a typewriter that not only made typing easier—but one that produced neater, more uniform letters at lower cost!

Typists welcomed Touch Control as an outstanding improvement. The facility of adjusting the Royal keys to any desired tension, simply by turning a dial, was enthusiastically received as the greatest advance in typewriter design since Shift Freedom.

No other typewriter has met so completely the requirements of both typists and executives.

Call for the Royal representative. Invite a demonstration in your own office . . . Compare the Work! Royal Typewriter Co., Inc., 2 Park Ave., New York.

Branches and Agencies the World Over

3 of many exclusive Royal features which make typing faster—easier!



A



B



C



A. Improved Shift Freedom positively eliminates the tiring effort, the nerve-shattering jar and bang of the conventional "bobbing carriage."

B. A flip of the finger does the trick! Automatic Paper Lock provides the fastest method of paper handling ever developed.

C. Royal's Finger Comfort Keys protect the delicate nerve-ends of the finger tips. Black, non-glare, they reduce eye-fatigue.

easy-writing ROYAL victory model

The BUSY MAN Looks at Steel

IN-side Stuff

IT SEEMS very appropriate that the Penn Mutual Life Insurance Company,—which deals in provision for the future,—should follow the same precepts in equipping the Employee's Dining Room in its new Philadelphia Headquarters building. The big kitchens were furnished almost completely with ALLEGHENY METAL, thereby establishing cleaning and maintenance costs at a comfortably low level, and reducing depreciation costs to the "irreducible minimum".

That is certainly practicing one's own preachers. Moreover, eye-appeal was not sacrificed to utility. Says Wm. H. Linton, Dining Room Manager, "It is one of the finest pieces of metal work I have seen in 30 years' experience in the restaurant business".

... and OUT

MESSIEURS FARLEY and Ickes didn't include a restaurant in the New U. S. Post Office and Federal Building in St. Paul, Minnesota, or we probably would have another report like the one above. However, there is no regret in our hearts,—we have something much more spectacular here.

100,000 pounds of gleaming ALLEGHENY METAL illuminates the exterior of this huge edifice, and enhances its massive strength. All of the vertical mullions between windows on the front and sides are fabricated from this impervious stainless steel, producing a rich — and LASTING — architectural beauty. The Kawneer Company, Niles, Michigan, fabricated the mullions, and Lambert Bassindale of St. Paul was the architect, with Holabird & Root, Chicago, as associates.

ALLEGHENY METAL—the time-tested stainless steel of universal application—is a product of ALLEGHENY STEEL COMPANY, Brackenridge, Pa.; who also manufacture electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Sons, Inc. Warehouses, and by Union Hardware & Metal Co., Los Angeles.

Allegheny Metal is licensed under Chemical Foundation patents 1,316,817 and 1,339,373.

ADVERTISEMENT

Through

the Editor's Specs

THE burdens of prosperity and progress are borne by a few creative spirits . . . enduring endless labor to bring accomplishment out of the indifference of nature and the indolence of man . . . The inert mass of humanity imagines it has made and can command the miracles of the modern world in which it lives, though in truth it is but the dumb beneficiary of the daring, the industry, the sacrifice and the insight of a mere handful of forgotten men who carry it on their backs. By destroying them it will, some day, destroy itself.

—Quoted by ELON H. HOOKER
Before the Bergen County Chamber of Commerce, Hackensack, N. J.

Wealth thrives on use

MILLIONAIRES who have borne the brunt of "soak the rich" attacks on the American front may find comfort in Canada's political going on. One of the candidates in Toronto courted votes on a platform that would put surtaxes on the city's 125 millionaires. Of his arguments the *Financial Post* said, "Being only a local politician, he probably does not realize that these millionaires contribute from 50 per cent upwards of their incomes in municipal, provincial and federal taxation and that the businesses from which they derive their incomes are the chief contributors of the city's revenues."

The mayoralty campaign reminds the *Post* that the *Chicago Daily News* recently sent a reporter to Detroit to see what Henry Ford had done toward "distribution of wealth." It turned out that in 30 years Mr. Ford had paid in wages 3,233 million dollars. For materials he had paid 6,832 million dollars, with 70 per cent of the amount estimated as the share of the workers required throughout the country to produce and prepare the materials used in Ford products. Taxes paid by the Ford Motor Company totalled 259 millions. In 30 years the Ford enterprises have distributed more than 10.5 billion dollars.

As the *Edmonton Journal* sees it:

Mr. Ford and his family have made a large fortune while doing this, but the figures surely prove that such an organization prospers in proportion to the extent to which it keeps money moving.

A riddle in rents

WITH the Government, through several of its agencies, turning landlord to its citizens in wholesale fashion, it may be useful to point out a few facts about the landlord business which another government agency has just brought to light.

As our more "constant readers" will recall, these columns last month charted the progress of government housing, including those "low-cost" government-built and operated apartment houses which the PWA Housing Division now has in progress in nine cities. These and the numerous other so-called slum-clearance projects which are to follow are designed for occupancy by low-income groups. Their rental, according to the Housing Division, will average \$7.50 per room per month.

But now comes the Department of Commerce with the results of a rent survey in 61 cities. It shows that the average tenant—and remember that the average includes tenants of high, low and medium income—pays far less than the \$7.50 at which the "low-cost" government apartments will be offered. He pays, to be exact, 36 per cent less, or \$4.80 per room per month. How low-income tenants can pay \$2.70 per room per month more than the *average* tenant now pays is a problem likely to confound our brightest economists, to say nothing of our low-incomers.

The survey also reveals another fact which the Government in its landlord rôle may find interesting, if not embarrassing. This is the fact that 27 per cent of the 165,000 tenant families in the 61 cities surveyed were delinquent in their rent payments January 1.

World port on the prairie

ALMOST 900 miles from the nearest seaport, Chicago's active concern with foreign trade is solidly defined by her steady rise as a world port in her own right. In the 1934 navigation season, beginning in May and ending in December, 295 merchant ships en-

"We'd just as soon ride to business
in a horse car



as do without Voice Writing



...because each of our dictators
gains 2 extra days every week!"

(FROM EDISON RECORDS OF THE WORLD'S BUSINESS)

The proof of Voice Writing benefits to Dictators surprised everyone in this company. The firm very readily agreed that Ediphone equipment would account for an increase of business capacity in the Stenographic Department. But the benefits to Dictators were to be proved.

Installation of Ediphones showed these results. The gain in conversational speed amounted to $7\frac{1}{2}$ hours a week—for each Dictator. Getting action, any time, no waiting, accounted for another 10 hours. Net

result: two EXTRA days a week for increased business capacity!

Ediphone Voice Writing, in any office—large or small—is better for everyone. Dictators simply turn to their Pro-technic Ediphones, like telephoning, and talk. They think once... write once...at once. There is no waiting for "dictation periods." More is accomplished...with less effort...and business capacity increases accordingly.

TELEPHONE THE EDIPHONE, YOUR CITY. An Edison man will show how Voice Writing will increase your company's business capacity 20 to 50%.

Pro-technic
Ediphone

Thomas A. Edison
INCORPORATED
ORANGE, N.J. U.S.A.

THE COMPLETELY ENCLOSED DICTATING MACHINE

tered the port area. For the whole year, Chicago's exports were \$3,854,394, with corn and lard heading the 31 items figuring in the cargoes. By way of the Great Lakes and the Lakes-to-the-Gulf waterway, deep water ships move directly to the heart of the great Middle West region, a salty accent on the compression of distance through man's urge to exchange things he has for things he needs.

Kidnappers, form on the right

NOW is the season when taxation becomes a required course in applied economics. This year the returns are to face the glare of pitiless publicity. Warned by a pink slip accompanying his blank, the taxpayer must show his total gross income, total deductions, net income, total credits against net income, and the tax payable. Penalty for failure to file slip is \$5. Payment of the penalty will not prevent publicity. The collector simply will fill out the slip from the return.

When Senator La Follette offered his amendment he said that it "would do more to prevent tax dodging than all of the other provisions to prevent tax avoidance proposed by the experts."

One of the strongest protests of the publicity provision came from Carlos B. Clark, chairman of the Federal Taxation Commission of the National Retail Dry Goods Association, who told the convention of his organization that the pink slips "make for a decidedly dangerous situation." He asserted that "not only a stock salesman or an automobile salesman can find out how much a man makes, but the same information is open to kidnappers and racketeers of all kinds."

Experience amends theory

AMERICANS who question European ideas of social security do not stand well with the earnest planners who are determined to do everybody a good turn. We just can't read the signs of the times, the well wishers of humanity retort. England, now. There's an example for us. But what sort of an example is not quite clear.

John Strachey, former Labor member of Parliament for Birmingham, England, a writer and economist, has been telling Canadian audiences that both the United States and Canada—countries with state and provincial governments—will find it more difficult to establish unemployment insurance than a centralized government like that of Great Britain.

"People here," he said, "do not seem to realize the difficulties we had even in England with the scheme. Why the last act passed in connection

with unemployment insurance was the twenty-fifth amending act to be adopted."

Durable goods in the flesh

NO one is likely to contend that the continuing extension of the life span by medical science is at the bottom of agitation for old age pensions. That there may be some relation is argued by a chart prepared by the Standard Statistics Company of New York. Of a total population of 122,800,000 in 1930, there were nearly 7,000,000 persons more than 65 years old, an increase of approximately 600 per cent in 50 years, as contrasted with a rise in the total population of only 146 per cent.

Explanation of the accent on age is found in restricted immigration, a declining birth rate, and a gain in the national expectancy of life to almost 60 years, or almost half again what it was 90 years ago. What to do about this windfall of time is a problem which is inspiring solutions the country over. Whatever the variations of individual fortunes, there is obviously a decreasing distinction in being a veteran citizen.

No hymn of hate

WHILE the Senate was preparing to put the world court issue to sleep, an organized accent on internationalism was contributed by the Methodist Ministers Association of Buffalo in approving a stanza for addition to the hymn "America." Composed by the Rev. Benjamin Copeland, the new lines read:

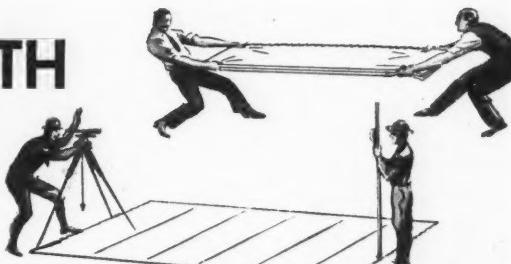
May all the nations share,
Lord God, Thy Gracious care,
Thy name adore.
Praise to the Prince of Peace,
His Kingdom still increase
Till wrong and war shall cease
Forevermore.

Inclusion of the stanza in the "America" to appear in the new Methodist Hymnal will be urged by the association. Versifying on the theme of good will toward men, as the ministers see it, brings no disharmony to a song about the country that made the melting pot famous.

Canada can't see grading

CANADA'S experience with grade-labeled canned foods, based on information from three provinces, goes against some of the pet beliefs of advocates of a government-sponsored system of product identification for this country. Although the Canadian law has been in effect 16 years, a survey by the National Marketing Councilors for the National Canners Association disclosed that only one woman

STRENGTH



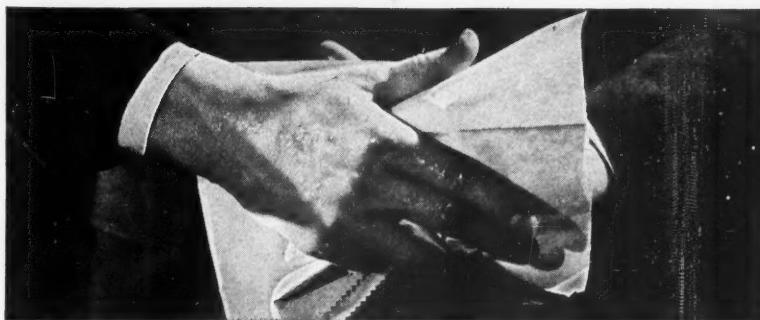
SIZE



ABSORBENCY



... And just enough of each
FOR A PERFECT DRYING JOB



A. P. W. Onliwon Towels are not the largest on the market. Nor the "cheapest." Nor the most expensive. Yet they have a consistent record for honest-to-goodness economy.

It's really very simple. Onliwon Towels are made specifically for drying people's hands and faces. Large enough to make sure every square inch of surface gets used. Amply strong to stand up through the single use expected of a towel. Yet neither softness nor absorbency has been sacrificed for the sake of strength. The double-fold feature which originated with these towels assures enough absorbent material for thorough drying in a practical, usable size. This combination of factors is what makes Onliwon Towels *right* for their job. Makes possible their record for demonstrated economy in actual every-day use—because fewer of them are required.

Onliwon Towel Cabinets are simple to install and refill. They present one towel ready for instant use at all times, keeping the remainder safe from dust and dirt and discouraging waste.

Compared to other items, washrooms represent an admittedly small share of your overhead. Yet the probability of genuine savings makes it worth while to learn more about the economical Onliwon Towel. If no A.P.W. representative is listed in your phone book, write for samples to: A.P.W. Paper Co., Albany, N. Y.

A.P.W.

THERE'S REAL SAVING IN ONLIWON TOWELS AND TISSUE



COMPTOMETER CONTROL GIVES YOU QUICK, VITAL ANALYSES OF BUSINESS OPERATIONS

ARE you ready with accurate cost analyses to profit from increased business? Have you complete information on sales cost, by salesmen, by territories, by commodities? Do you have fingertip control on production costs as affected by increased volume, larger payrolls, fluctuating prices?

The COMPTOMETER Peg-Board method brings to your desk day-to-day, vital facts about your business. It reveals danger signals in time to give you complete control — with these advantages:

- 1 Makes use of *original* figures. Does away with the time and cost of recopying, posting. Reduces chance of error.
- 2 Extremely fast. Produces figure facts while most valuable. Allows for prompt action on rapidly changing conditions.

3 Flexible. Adaptable to most any kind of figure or cost routines.

4 Economical. Savings of 35% or more are not unusual.

5 Simplifies collecting and computing figure facts. Reduces number of operations required.

The COMPTOMETER Peg-Board combination not only gives you a control record of sales, production, inventory, payroll and other costs; it consolidates reports, co-ordinates departments, opens up new avenues of savings and profits.

For full information write us direct or call the COMPTOMETER office in your locality. No obligation. Felt & Tarrant Mfg. Co., 1712 N. Paulina St., Chicago.

COMPTOMETER

(TRADE-MARK)

out of four knew that there are grades on the labels, that only one out of eight uses grades as a buying guide.

The Canadian system, which the NRA and Consumers' Advisory Board have held up as a "model" that should be adopted in this country, authorizes the use of "fancy quality," "choice quality," and "standard quality" on the labels of all canned goods. One of the stock arguments of proponents of a similar measure in this country is that grade labeling would cause a standardization of prices. A check of retail stores, the report says, revealed a wide spread in prices. Examples: "choice" tomatoes in No. 2½ cans sold at 7½ to 15 cents in chain stores, and at 8½ to 13½ cents in independent stores. The survey also uncovered instances where "fancy quality" products (the highest quality) were sold for the same price as "choice quality" products (the next highest grade).

American evangelism in behalf of the idea has been met by the Canners' Association with an offer to provide greater protection for the consumer by means of descriptive labeling terms. Not the least service of the survey is its documented reminder that human nature, whatever its nativity or locale, is so constituted that it is bound to deviate from the prescribed precisions of public monitoring.

Yardsticks should begin at home

IDEAS of uniformity in public accounting have been about as various as the units which constitute the cumbersome machine of government. With 48 states, 3,000 counties, and 1,800 communities of 2,500 or more population, the quality of standardization has been more honored in the breach than in the observance. Expectation that a "yardstick" could issue from such a confusion of practices would suggest a triumph of hope over experience.

Shortly after the panic of 1893 a movement began to bring local units into some semblance of harmony in reporting financial information. Much of the missionary work was done by the National Municipal League. A revival of this early effort is predicted by Carl H. Chatters, executive director, Municipal Finance Officers' Association.

In the field of accounting, he says, the National Committee on Municipal Accounting, sponsored by the Municipal Finance Officers' Association, and by other groups of public officials and the professional accounting societies, is now working on the standardization of municipal accounting terminology and principles. In the

field of reporting, the Association has completed surveys in two states of the reporting of financial statistics and other data showing what the money is used for, to determine their completeness. Mr. Chatters says:

Examination shows that in most of our state capitols there is no adequate administrative machinery for the systematic publication of up-to-date, current information on state and local finances. Nor is there any way of letting the taxpayers of the state know what services the various units of government are performing.

Most of the information published in 1934 was already a year and a half old when it appeared, being for the fiscal year ending June, 1932, Mr. Chatters points out. In few other fields of social activity are statistics so out-of-date when they are published, despite the importance of knowing what the local governments are doing with the taxpayers' dollars before the information is ancient history.

A tale of mice and men

PUBLIC commendation of Mickey and Minnie Mouse is usual enough in this land. It was news when a judge in a United States District Court gave them a pat on the back for their help in lifting the Lionel Corporation, Irvington, N. J., out of receivership. Of course, there were such important aids as the good will of the creditors, teamwork of the personnel, management of the receivers, and hard hustling all around.

Three months after the receivership became effective, a contract was made with Walt Disney, Inc., whereby the Lionel Corporation, a maker of mechanical toys, got the right to manufacture all electrical or mechanical Mickey Mouse toys. Heads were put together. Out of this huddle popped the idea of putting Mickey and Minnie to pumping miniature handcars.

More than 235,000 of these toys were retailed at \$1 each. By-product sales of track and crossties pushed up income.

After eight months of receivership, the company was returned by the court to its owners. A statement of its condition showed \$500,000 in accounts receivable. There was also \$100,000 cash in hand. An inventory revealed \$400,000 in liquid assets. Total assets were more than \$2,000,000. December volume was the biggest in the company's history, with 1934 the best year since 1930.

Possibly by way of suggesting that "the best laid plans o' mice and men" do not always "gang a-gley," the judge said the receivership was probably the most successful in the history of the court.

HOW TO LOSE

\$25,000

you haven't got

MANY MEN realize too late that a fortune they never saw, never touched, has slipped through their fingers.

With a little more knowledge, a little more effort, they could have earned \$1,000 or \$1,500 more a year. Not until their chance has passed do they realize what a staggering total they have lost.

For, if you are worth \$5,000 a year but make only \$4,500, you will have lost \$1,000 in 20 years. If you are worth \$5,000 but make only \$3,500, you will have lost \$30,000 in 20 years.

The purpose of this message is to show how to protect yourself from this loss.

Any man capable of making even \$2,500 annually during these times can, with effort and study, be worth \$1,000 or \$1,500 more. A \$5,000 man is not twice as intelligent as a \$2,500 man. He only has to know a little more to earn a lot more.

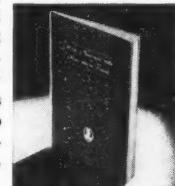
Where can a man get that extra knowledge that may be worth \$25,000 to him?

The Alexander Hamilton Institute, for more than a quarter century, has investigated thousands of businesses. It has taken the experience of a cross section of the country's leading business men. It has collected and boiled down this information into convenient form. It has brought it up to date with 1935 conditions, and now presents it to you in a simple, planned, practical Course of interesting reading.

This Course, and the important Personal Service that is part of it, does not guarantee you a job. But it provides you with the foundation necessary for you to win a higher salaried position in the years of recovery just ahead.

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A booklet, "What a Business Man Must Know Today," is ready and will be sent to you free of charge. If you think a 3c stamp is not too much to pay for finding out how you may save \$25,000, clip this coupon and mail it. The booklet contains valuable details about this famous Course and its Personal Service, to which many thousands of men attribute their success.



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Business Position..... Age.....

*Talent does what it can...
Genius does what it must*



YOU hear it said more and more that recovery in America is up to business.

Only the timorous will see this as a challenge. To the courageous it comes as a compliment.

If we are to move resolutely forward, there is need for leadership in business which measures not what it can or can not do, but what it *must* accomplish.

If we are to spur laggard sales and employment, we need to do so by the time-tested method of developing products and services which so compellingly meet the public's needs and desires that buying must inevitably result.

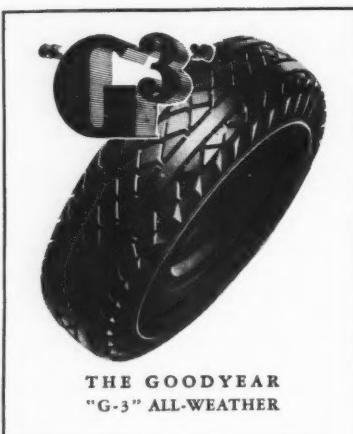
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There is perhaps nothing new in this observation.

Like others who have recognized its validity, we have sought to apply it throughout the past trying years.

During these years, we have steadily sought improvements by the largest program of product development and betterment which this company ever launched.

Let us cite only two results of that program. One is the "G-3" All-Weather, now the largest-selling tire in the world. The other is the Airwheel*, of which Goodyear's production is greater than that of all other makers of super-soft tires combined.



P.W. Hitchfield
PRESIDENT,

THE GOODYEAR TIRE & RUBBER COMPANY, INC.

*AIRWHEEL is Goodyear's trade-mark, registered in the U. S. A. and throughout the world, and is used to denote that Goodyear is the exclusive maker of AIRWHEEL Tires

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GOOD **YEAR**

NATION'S BUSINESS

A MAGAZINE
FOR
BUSINESS MEN

A Time for Deliberation

PROPOSALS for "social security" are before the Congress of the United States. The meaning of the phrase is as various as its interpreters. Anyone who undertakes to get a clear idea of the implications of the pension and insurance measures advocated by the Administration, apart from the schemes put forward by individuals, will face questions as difficult as they are novel in the history of this country.

It is possible to believe with the Secretary of Labor that "there has been a progressive feeling of public responsibility which, passing through the purely philanthropic stage, now manifests itself in a demand for practical, systematic assistance."

Well and good. Unless practicality is ever the watchword, an articulate willingness to be our brothers' keepers will not suffice. Means have to be found; an effective procedure must be devised.

Now that the Congress is asked to approve a universal coverage to be financed by the people in their rôle of taxpayers, the mere fact of broad recommendations in the public interest cannot relieve the people of the duty of deliberation and judgment. To hold otherwise denies the validity of representative government.

It is said in justification of haste that if the nation does not accept the Administration's program it will get something infinitely worse. Sign on the dotted line, the Congress is urged, or the irresponsible extremists will prevail.

Any change which signifies such a sweeping and permanent revolution in American social and economic policy of itself argues against haste of expediency.

Where feasibility is so promptly assumed, the premises on which it rests invite examination. For the insurance features, Great Britain's leadership is extolled. Yet unemployment insurance, as tried for more than 20 years in Great Britain, has been found wanting, declares Ronald Davison, one of England's experts in the administration of unemployment funds. Writing in the *Social Service Review*, a University of Chicago publication, he explains that it was necessary

in the new British unemployment act to extend it to workers who have exhausted their insurance benefits or were never eligible for them. Previously the British scheme provided for contributions from employers, employees and the government. But in 14 years, Mr. Davison reports, the fund went \$500,000,000 in debt, and failed to provide for approximately 4,000,000 unemployed workers not in its scope.

On our own ground, Dr. Edwin Witte, executive director of the President's Committee on Economic Security, has shown that, if the system proposed had been set up in 1922, so that it was in full operation when the depression began, the insurance fund would have been solvent only until the end of 1930.

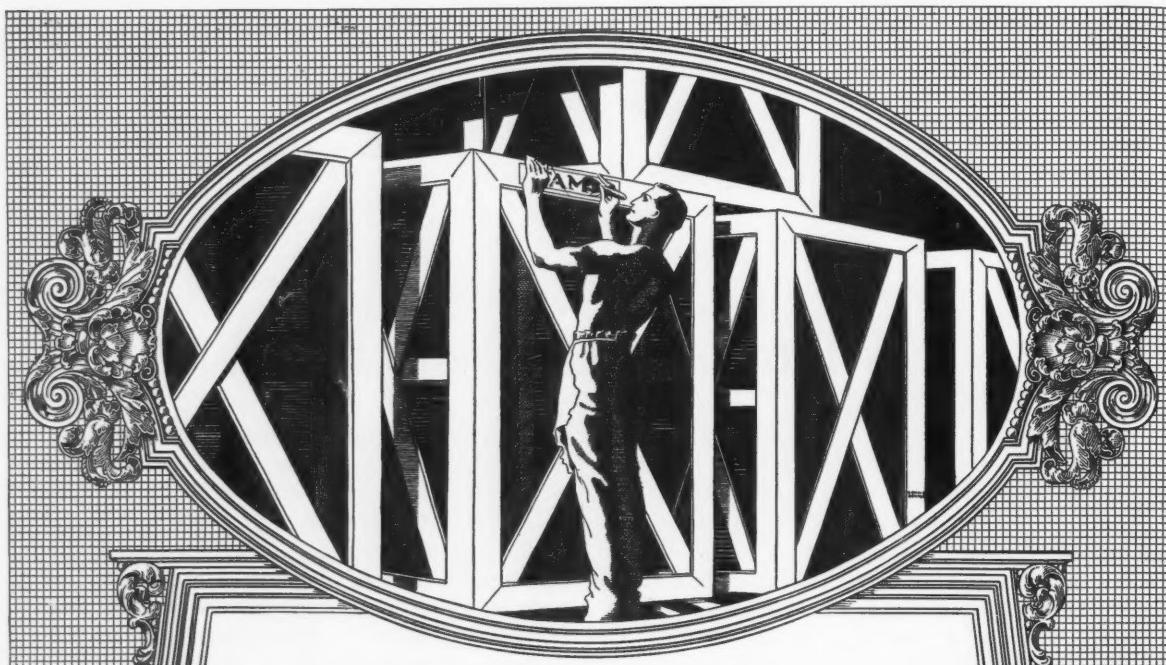
The question of solvency provides its own accent of importance. Perhaps the larger question is whether this sort of insurance, as administered in Great Britain, "has actually prevented the absorption of the unemployed by keeping much of the working population on a dole," thereby sustaining wages at a level where it is impossible to employ all the able-bodied wage earners.

So anomalous is the situation that the American relish to transplant it to domestic soil seems perversity confounded.

"These makeshifts are all right for countries in decline, but what does a country in the ascendant have to do with them?" asks Mr. Cameron of the Ford Company. To him "they are not the beams of a new dawn, but the slanting rays of a fast setting sun."

It takes no partisan critic of the security program to anticipate formidable financial and administrative difficulties. The one certainty in the vast new commitments on the legislative horizon is that once the Government yields to the "experimental" mood, withdrawal will be impossible. The people still have opportunity to press for a popular understanding of the proposals put forward in their name.

Meredith Thorpe



BEHOLD THE STENCIL

A crude cutting of a card will make a stencil for a crate. But it has taken fifty years of intensive experience to develop the Mimeotype stencil-sheet, which has brought Mimeographing to a high state of perfection. You don't know what the Mimeograph can do for you until you thoroughly understand this new improvement and its possibilities. Mimeotype—the *cellulose-ester* stencil! Better copies, nicer printing of all kinds of letters, forms, bulletins, graphs, line-drawings, etc., are done at high speed and low cost, because of this remarkable development. It may make possible new and profitable undertakings, new savings, in your school or business. Stencil printing at its best! For latest particulars write A. B. Dick Company, Chicago, or consult your classified telephone directory for local address.

M I M E O G R A P H



March • 1935



Kennedy, Who Guards the Investor

By HERBERT COREY

THIS article started out to be an interview with Joseph P. Kennedy. As an interview it lasted only half way. The Chairman of the Securities and Exchange Commission was willing to talk of what had been done by the Securities and Exchange Commission.

"But I do not like to talk of what we are going to do. Wait until we do it," warned Mr. Kennedy. So, where quotation marks appear it is an interview. Where there are no quotations, the statements are made on the authority of the interviewer and no one else. He was able to get around more or less in the Securities and Exchange Commission and form his own impressions. So far as an outsider can see, the Commission is not underestimating its task. A good guess is that in time it will have a job that will rival the Interstate Commerce Commission's in labor and toil and the I.C.C. has acres of accountants and hundreds of tons of records. The Securities Commission must not only deal with the new securities issued by reputable men but it must also watch the activities of the hundreds of little swindlers who specialize in suckers.

"We caught an outfit," said Chairman Kennedy, "which had a few old brick buildings and some rusty machinery and a report from a firm of appraisers and was all set to sell no-good stock to all comers. We stopped them."

"Then what happened?"

"We began to get letters from all over the country telling us of other scalawags who were trying to sell pros-



INTRODUCING the Chairman of the Securities and Exchange Commission who, in this article, answers some questions about his organization and permits Mr. Corey to answer others. Among the answers you will find some information as to what may be done about holding companies, speculative issues, and civil and criminal liabilities



HARRIS & EWING

Chairman Kennedy is a blue-eyed man who laughs easily

pects based on nothing at all. We do not know how much the swindlers' 'take' is in a year. Every dollar they get is withdrawn from the channels of legitimate trade."

Chairman Kennedy is a blue-eyed man with a ruddy, vigorous complexion. He is broad-shouldered and athletic, with the build of a horseman. He laughs easily and is as frank as a shotgun.

His first venture into business was at the age of 11. The fleet was in Boston Harbor on its annual visit. Young Joe signed up as a ticket-taker on a launch that ferried sightseers out to the battleships. On the first trip Joe sensed the business possibilities in the ticket-taking job. He saw that half the passengers brought children and he knew that children wanted candy. Before the next trip, he laid in a supply of candy bars which were snapped up at five cents each. By the time the battleships left, his candy business had brought him more than twice as much as his pay as ticket-

taker. At Harvard he paid his way through college operating a sightseeing coach.

One night, years later, he had his bags in a cab for a trip to Florida when he was called back to the telephone. When he came out again he said to his secretary, Eddie Moore:

"Take the bags out of the cab. I've gone into the movie business."

He wasn't fooling. A few years later it was he who sold the Radio Corporation some of the largest units, including Keith-Albee, which went into the creation of RKO.

He retired from business a few years ago with a considerable fortune, as nearly intact as any fortune can be these days, and set out to play. He has three houses, he shoots a good game of golf, and when he is playing he detests the sight, sound, and taste of work. When he works he forgets about play, the clock, sleep, and to some extent about meals. He uses airplanes because trains are too slow and telephones instead of writing letters. Last summer his horse fell with him and he had his leg in a plaster cast when President Roosevelt got him on the phone at his home in Bronxville.

"I have a job waiting for you, Joe," said Mr. Roosevelt, or something like that. "Come on down here."

"I do not want a job," said Mr. Kennedy, or words to that effect. "I am not a politician. I have retired from business. I want to see something of my wife and children and I am away behind on my playing."

"This is a tough job," said the President, "about as tough a job as there is in Washington. It will get tougher." Mr. Roosevelt grew persuasive.

"I'll catch the next plane," said Kennedy.

Kennedy does not think that it is any part of the Commission's business to check speculation. He thinks the man who can read a statement of facts and then use his judgment is entitled to a profit if this judgment is right.

"Joe Kennedy," said a friend, "can smell red ink farther than any man I know."

Once he spoke of protecting the shoe-string speculator and was criticized because some people thought he wanted to keep the little man out of the market. That was not his idea at all. He would let them all come in, but he would see that accurate information is available to them.

"Confidence is lacking in this country. With bad business at their backs for three years and an uncertain future, business

men are keeping their money in their pockets. Yet gilt-edged stuff sells at good prices because the buyers know it is gilt-edged. We hope to be able to restore confidence by giving the buyers the information they should have."

He is a firm believer in the honesty of American business. Now and then—and only now and then—a man who has inside knowledge of the affairs of a company will make an improper use of that knowledge. He believes that in time the Commission will be able to stop this. At least the practice will be checked. He proposes to keep stockholders informed of what the management proposes to do. If a stockholder knows all about his company and its policies and the state of trade, and then loses money, he can blame himself. Corporations who prefer to borrow money privately instead of going to the trouble of complying with the law which requires the registration of securities before they may be placed on the market do not bother him at all. The lender will presumably have informed himself

as to the value underlying the loan.

"The powerful banks which make loans of this character are able to get this information. It is the small man who has not been able to get it. We will get it for him."

This does not mean that the small man can come howling to the Commission and demand his money back if he loses. The Commission is not running an insurance agency. It can only do its best to get accurate information before the investor. Sometimes all the information is truthful and the future as bright as a new milk pan and the company flops. Indigo was the money crop in this country at one time. Then a chemist had an idea and the indigo farmer went out of business almost overnight. Hundreds of street railway companies told the truth to their investors about costs and prospective business. Now their cars are being used for chicken coops.

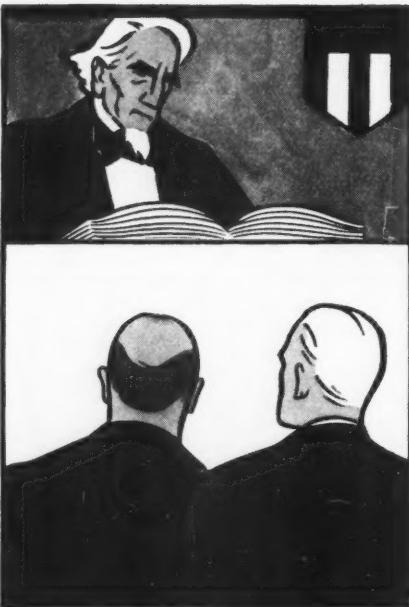
"The Government can provide some of the protection for the investor. But he'll have to provide the rest himself."

Kennedy believes in what some people nowadays call the "profit motive." If business men are to stay in business they must be able to make money. The business community is benefited by the existence of a continuous open market where its stocks and bonds can be bought and sold. Without such a market, corporations desiring to extend their lines would be forced to go to a banker and ask for the accommodation. It is not a part of a banker's business to make loans for indefinite periods which are practically not callable. The device of the stock market meets the needs of the business men.

Kennedy would protect the stock markets as far as possible against sharpshooters. The man who attempts to rig a market will be roughly handled if he is caught. The increased margins now required will make for stability. A man with a little money, no conscience, and a good imagination will not be able to do as well in the future as in the past. A four dollar margin and a big lie have at times been an unbeatable combination.

Business is cooperating

HOLDING companies will come under fire. But no rash action is proposed. The Commission is not made up of witch finders. The chairman believes that as time goes on the Commission will be given the full support of legitimate business. More and more it



THE Commission has authority to investigate violations of regulatory and antifraud provisions, to issue stop orders, obtain injunctions, interpret accounting and trade terms and devise rules governing registration statements. It has great power to protect investors against fraud

is getting that support even now. A few months ago bankers and business men were refusing invitations to come to Washington and consult with the powers. They did not like the attitude of some of the men they were asked to see. Nowadays hardly a week passes that big business men do not come voluntarily for conference with Commission members. They do not encounter an atmosphere of hostility but a real desire to do whatever may be done for the common good.

"We may not get the information on which action could be based until the harm has been done. There is more danger that we will be too late than that we will be unfair. Business men are beginning to appreciate this. More and more they are telling us what we should know in order to stop the raiders.

"No government can guarantee the truth of any statement in any prospectus.

"But if we can catch a perjurer at work perjuring we can punish him."

There have been loud cries about the excessive cost of registering securities under the Commission. Kennedy does not believe the complaints are entirely justified. After examining the cost of registration, sale and distribution of ten large issues of securities put out since July, 1933, he was prepared to answer the charges publicly.

"The total items of expense which can be attributed to the new legislation amount to .38 of one per cent of the gross proceeds of this financing, and much of the legal and accounting expense would have been incurred if the Commission had never been heard of. What is more, the total items of expense in the ten security issues which can be charged against the Commission and the new legislation are less than one-fifth of the commissions and discounts paid to bankers for underwriting them. That isn't bad at all."

Chairman Kennedy went into the aggressive mood.

"The cost of investigation and registration now is relatively less than the cost prevailing before the Commission. For ten issues picked at random before 1933, aggregating approximately \$60,000,000 of gross proceeds, the legal and auditing expenses aggregated \$311,000, or one-half of one per cent as against three-eighths of one per cent for the ten issues floated under the Commission."

Doesn't claim perfection

HE does not contend that either the Act or the Commission's acts are or have been perfect. He is not the kind of a man to claim perfection. The Commission is frankly feeling its

way, going a step at a time, in the conviction that what it is doing is worth doing. It is trying to avoid mistakes. The evidence is that if a mistake were made the Commission would correct it as rapidly as possible. None of the members would get huffy about an outsider's criticism unless the outsider were merely

preceded the application, it only took 20 days from filing the application to the final clearance. Speed is not necessarily a virtue. Many issues collapsed in the past few years because they had been hastily put on the market. No one had given enough thought to them. Men and times were feverish. The rush was sometimes occasioned, not by the needs of the business, but the anxiety of the promoters to take advantage of a booming market."

He did not agree that the Securities Act had dried up the sources of capital. In the second quarter of 1934, in spite of the inducements to issuers and others to "beat the gun" and although governmental loans had to some extent supplanted lending from private sources, capital issues were actually twice as large as during the same period a year earlier.

"The real reason why there were fewer issues and for smaller totals than we would all like to see is that the corporations did not see opportunities to employ long term money profitably. Those corporations which did wish to borrow money were not in a position to convince would-be investors that they offered safe risks. And, like all the rest of the world, the United States is still suffering from the effects of the depression."

The future is untold

THAT is all there is of the interview. The reporter had prepared a list of questions to which he desired answers. None of them was a trick question. They were, however, intricate and complex questions and dealt more with the future than the past.

"It would take me three weeks to answer them," said the Chairman.

But he had no objection to the reporter's setting down on his own responsibility what he believes will be the Commission's attitude. At this point Chairman Kennedy passes out of the picture. Before he completely gets away, however, one little story might be told. The other members of the original Commission were James M. Landis and George C. Mathews, who were members of the Federal Trade Commission, and Judge Robert E. Healy, who had been active in procuring and enforcing blue sky legislation. Ferdinand Pecora, who gained fame as counsel of the senatorial committee which recently engaged itself in scrutinizing Wall Street's ways,

(Continued on page 54)



THE investor cannot come howling to the Commission and demand his money back if he loses. The Commission is not an insurance agency. It can only do its best to get accurate information before the man who wishes to buy securities

throwing bricks. Not long ago a group of business men came to Washington:

"You," they said to the Commission, "are wrong."

"Show us," said the Commission.

The group stayed up the better part of the night and a satisfactory compromise was reached. No lost tempers. Some of the forms of questionnaire being used were not what they might have been. It is not an easy job to frame new, delicate and complicated regulations. New amendments have gotten rid of many of the inconveniences and much of the expense. There are still technicalities which can be wiped out. The Commission is at work on them. But it must walk before it can run. Chairman Kennedy is frankly a bit impatient at the occasional charges of delay in the registration of securities.

"The charges are exaggerated. Many of those who bring them are antagonistic to the purposes of the Act. The largest flotation we have handled is that of the Edison Company and while much preparation

Where We



NATIONAL PHOTO

Those with low standards of living and high birth rates aggravate our employment problems

IN ALL this welter of discussion of economic planning, scarcely a word has been uttered by any planner on the important subject of population planning. Yet the population problem is fundamental, and the most dangerous form of *laissez faire* is that which leaves the quantity and the quality of our population to blind biological forces which are cruder and more dangerous than the so-called blind economic forces. Such a let-alone policy would leave our population to be recruited from those regions where the standard of living is lowest and from the least intelligent strata of every population, our own included.

No one who studies the subject seriously will dispute this fact. Until Asiatics were excluded we were in danger of being inundated by millions of oriental coolies. Those unhappy countries had and still have more people than they can take care of and were ready to dump their surplus populations on our shores. After they were excluded, and before the quota system of restriction was adopted, the sources of our immigration were shifting from northwestern Europe to southeastern Europe and western Asia. Areas with lower and lower standards of living were displacing areas of higher standards as sources of our population.

When we restricted immigration from Europe, Western Asia, and Africa by the quota system we left wide open the doors for immigrants from the Western Hemisphere and the Philippines. Then we began recruiting our population with Filipinos, Mexican peons and West Indian negroes. In addition, there is the tendency of our poorest people to have more children than they can support and educate. So long as people who lack intelligence continue to spawn others who lack intelligence we shall have more of such people than we can possibly employ at good wages.

These are facts which no economic planner can dispute. Why, then, are we so apathetic toward that form of *laissez faire* which leaves the population problem to take care of itself? We must foresee that when conditions improve so that there are more jobs to be had they

"HAVING been guilty of all these stupidities, we now have the effrontery to pretend that we don't know why there are so many unemployed," says Professor Carver.

In this article he lists these "stupidities" and declares that, until they are corrected, no form of economic planning can succeed. Furthermore, he urges property owners to ponder upon the ease with which the landless and propertyless masses of Europe and America could seize the holdings of their more well-to-do fellow citizens. This, he feels, is not impossible unless "our economic planners begin their planning where it is most needed and where it will do the most good"

will be filled to a large extent by immigrants from countries with low standards of living and large families. We must understand that no other form of economic planning can do much to eliminate poverty until we stop importing poverty, and that we can't employ all of our own people until we stop giving their jobs to the unemployed whom other countries send us. Why do not our economic planners begin their planning where it is most needed and where it will do the most good?

Population isn't considered in plans

SEVERAL reasons suggest themselves. One is that our economic planners do not take time to think about population problems, or, if they think at all, they think that it is impossible to do anything about such things. Still another is that they think that population is a matter of Divine Providence rather than the emotions, the passions and the ignorance of men. A less commendable reason is the desire for an abundance of cheap cannon fodder, but this is probably confined to military adventurers and imperialists.

A still less commendable reason is the desire for an abundant supply of cheap labor which means mass poverty. This reason should be, but unhappily is not, limited to a narrow-minded type of employer who seems to think that men exist so that industries may expand rather than that industries should expand so that men may live more abundantly.

The most contemptible reason of all is the desire to see unemployment and poverty increase until there is enough discontent to produce a revolution. This desire

Need Planning the Most

By THOMAS N. CARVER

Professor Emeritus, Harvard University

is probably confined to those temperamental rebels who can see nothing good in the present economic system, and who are, therefore, willing to see suffering increase under it until the masses are driven to desperation. Then our revolutionists will have their inning.

A scientifically planned population is one which

- a. Maintains the optimum ratio between population and land (including all natural resources).
- b. Maintains the optimum ratio among all kinds of labor, or the optimum distribution of the working population among all occupations.

It would avoid the terrific overpopulation such as one sees in certain old countries of the Orient. It



EWING GALLOWAY

Our real problem is not overpopulation but congestion. Congestion is of two sorts, local and occupational. Solution of the first is simple but the second requires statesmanship of a high order

would also avoid the terrific occupational congestion which one sees in every country, including our own.

The man-land ratio, which Sumner and Keller, in their great work on "The Science of Society," treat as one of the fundamental social problems, has given the world more trouble than any other. Strong races have, in the past, maintained a favorable man-land ratio by taking more land when they needed it. They maintained a favorable ratio between population and land, not by planning their population but by planning their campaigns of conquest. Their planning was of the imperialistic sort for the acquisition of more land for their teeming populations. They at least had far-reaching plans for solving the fundamental problem of the man-land ratio. In this respect they were, on the intellectual, if not on the moral side, far ahead of any of our present-day economic planners outside of Italy, Germany and Japan.

Colonization is at a deadlock

DEMOCRATIC countries are inclined to repudiate that method of solving the population problem. Besides, the civilized countries seem to have reached a deadlock. They have become so jealous of one another as to make it impossible for any of them to extend its colonies. Until this deadlock is broken, the easy solution of the population problem by conquest and colonization is impossible. The alternative solution is to keep population within bounds. That requires population planning.

If the various nations of the white race could break the deadlock by declaring a truce among themselves and permitting conquest and colonization, it would spell the doom of some of the weaker races. They would go the way of the Tasmanians, the American Indians and other weak races—weak in the sense of being backward in the development of the technology of war. The whole continent of Africa lies open—awaiting the development of the technology of cooling, as northern regions, a few centuries ago, awaited the development of the technology of heating.

But Africa is populated. The full power of that continent to absorb European colonists would require the extinction of the natives. It remains to be seen whether Europe will be ruthless enough to avail herself of the full opportunity. She may prefer to preserve the natives as cheap laborers, and to use Africa as an outlet for surplus capital rather than as an outlet for surplus labor, keeping her own laboring populations in Europe to glut the labor market and supply cheap labor at home.

On the whole, the probability seems remote that the optimum man-land ratio can be much longer maintained, even by the superior fighting races, by the simple expedient of taking more land. The United States especially seems unfitted, both by geographical position and temperament, for a career of expansion by conquest and colonization. Population planning seems forced upon us by our own unwillingness to embark on a career of ruthlessness toward weaker people.

There are no habitable regions now unoccupied. In fact, there never were—within historic times. Even the American Continent was inhabited about as densely as it could be by men who made their living by hunting and fishing. They had to be dispossessed of their hunting grounds in order that Europeans could have fields to plow and plant. According to the standard of tillers of the soil, the continent was, of course, sparsely populated; but not according to the standards of their predecessors who preferred to hunt and fish. The tillers of the soil, who wanted the hunting ground of the hunting tribes for plow land, had one unanswerable argument—they were able to take it. The same argument still exists for those who are unscrupulous enough to use it. The weaker races survive because of the moral scruples of the stronger races.

The term "moral scruples" may be inaccurate. The landless and propertyless masses of Europe and America may find it easier to take land and property from their richer fellow citizens than to take land from weak races in distant parts of the Earth. This is a suggestion which

(Continued on page 72)



No form of economic planning can help much until we stop importing poverty. We can't employ all our own people until we stop giving jobs to the unemployed whom other countries send us

BROWN & DAWSON

What's Ahead in Washington

W. M. KIPLINGER Again Rounds Up the Prospects

Dear Mac: You said recently in a fit of exasperation at government that you didn't care what was ahead in Washington; you wanted to know what's ahead in business.

Exactly! So does Washington. The business outlook is the one thing on which everything else depends. The business situation dictates political policies at the same time that political policies dictate business. But they are both on the same merry-go-round. It is hard to tell which is chasing the other, which is cause and which is effect.

That's why, in my letters to you, I always keep hammering at the business outlook as an integral part of the political outlook. After reading many business reviews, written by specialists in business, you are likely to acquire the impression that business would be so-and-so if it weren't for the such-and-such political influence. Of course! After reading many of the purely political reviews out of Washington, you have the feeling that the political course will be this-and-that, *provided* business is something-or-other. Of course! Actually the two are one. You can't separate them. You can't analyze one without analyzing the other.

What you and I *must* do is to try to fix some sort of pattern for the future which will include the *probabilities* of both business and government courses. It is impossible to do this with precision in all details, for there are too many if's-&-and's in the future. But this shouldn't discourage us from making the attempt. That's what you and I are trying to do here. Furthermore, we are trying to be practical, as down-to-earth as the complicated circumstances warrant. If we allow ourselves lapses into fancy talk or fancy thought, remember that it has practical application.

Washington Influence

FIRST, you've got to decide tentatively whether Washington influences on business during the next six months will be generally stimulating (net), or generally depressive (net). Take six months only to start, for this is the period which will be dominated by Congress, ending probably in late June. Besides, for the short pull of six months, the fog isn't so dense.

My opinion is that we must count on Washington influences which are more depressing than encouraging to business as a whole until some time after midyear. This is somewhat contrary to official views, and it is not in line with the forecasts of many leading economic writers. But I think they are motivated by their hopes.

The ascent into a new higher plateau of business activity and recovery is not to be expected, therefore, within the next six months.

This puts it off until fall, at the earliest.

Business in 1935

IT is still the consensus of most technical Washington observers, of the non-political variety, that business in 1935, measured by a number of different standards, mainly industrial production, will be somewhat better than in

1934, but not much better, not spectacularly better.

The picture ahead looks like this: A spring peak in March, about the time you read this, disclosed later by statistics which always lag a few weeks or a month. Then a gradual but not a critical decline of business activity through the late spring and early summer—a little more than the let-down normally expected at that time of year. Then a late fall upturn of moderate proportions.

Thus no sustained boom in 1935. Also no collapse, no big crisis.

Public expenditures will help sustain business, will keep it from going too far backward, but will not give it much of a definite push forward.

The outlook has definite influence on the course of political actions, and these will be discussed later.

When, Recovery?

RECOVERY is a relative thing, and there are many ways of looking at it. There is no doubt that recovery has been under way for nearly two years.

But what you want to know is, When will business be restored to something like "normal"? Roughly, it seems to me, and to my advisers, that 1937 will be the first year of demonstrable business "prosperity," that 1936 will be a year of continued economic difficulties, that no big sustained upturn can be expected until the latter half of 1936.

Durable Goods

IF your mind gets tired from watching the whole economic and political panorama, focus it a bit on durable goods, for they are lagging, and we have now reached the stage in the business cycle where general business upturn can come only when durable goods have turned upward.

By "durable goods" is meant anything which will last from five years up—automobiles, electrical appliances, refrigerators, houses, and the things which go to make houses. Also industrial equipment, steel, rails, locomotives, heavy construction projects, and the like.

Contrast with consumer goods: There cannot be as much gain in consumer goods in the next couple of years as in the past couple of years. Most of the improvement to date has been in consumer goods—stuff which people buy to eat, or wear, or consume at once. Those trades and industries which are "feeling good," which don't understand the continued depression, are lines which make or sell consumer goods, or which depend on them.

Look ahead on consumer goods: Unemployment and relief rolls are about as high now as a year ago. Even with the best of luck on government work relief, actual purchasing power of the masses cannot be increased much within the next year. Thus, there seems to be no hope of any early upturn in business based on upturn of consumer goods.

Gains in 1935 will be one-third due to consumer goods, perhaps, and two-thirds to durable goods.

Among industries, new expenditures for durable or

capital goods will be largely of the defensive type. Factories will replace obsolete machines, not with the purpose of expansion, but with the idea of bringing production costs down.

These expenditures will not be of spectacular proportions, because they will come out of surplus, not out of new issues to any great extent.

Housing cannot get going on a big scale in 1935. This refers to private construction of homes, rather than to government construction. The modernization movement will progress well, but the totals will not be great, will not supply the deficiency in the construction lines.

Government efforts to reform home mortgage financing are good, in the right direction, but it will take a year or more to make the effect felt strongly in actual new home construction. It takes time.

Automobiles will have a moderately good year, but the current enthusiastic talk about automobiles as the force to pull us out of depression is now at peak and will subside within a few months.

Electrical equipment and supplies ought to do relatively well, better than most durable goods lines, due largely to government boosting efforts. Air conditioning is a big new industry for the future, but it will take a number of years yet for development.

Railroad purchases will be very moderate. There is much talk about big buying by railroads, with RFC financing, but those who know the inside of the railroad situation feel that buying will be limited to the *must* articles.

Steel production, it would seem, cannot be much more than ten per cent better in 1935 than in 1934.

New capital issues: Government regulations have been tempered, and there is no doubt of some expansion of new capital issues, considerable amounts of refinancing. This will be good, but within well informed quarters there is no expectation of any great wave of new capital issues before late in the year.

This means that new capital construction based on new issues would not come before 1936, probably late in the year.

The outlook for durable goods, all lumped together: Gains this year, but no burst, no boom.

Once again, therefore, no general boom in 1935.

Reform vs. Recovery

NOW let's jump from the business outlook to the political outlook, remembering always that politics are quite as dependent on business as business is on politics.

Roosevelt wants *both* recovery and reform, and is continually involved in nice decisions as to how far he can afford to carry reform at the risk of early recovery.

The political deadline on recovery is the fall of 1936, when the elections occur. The Roosevelt element honestly believes it can do a better job than a more conservative element, or than a more radical element. Hence it desires reelection.

Reelection of Roosevelt is possible *only if* there is demonstrable business improvement by mid-1936.

Meanwhile Roosevelt is making reform hay while the recovery sun is dim—the best time for reform hay. There is political capital in reform—more than the average business man realizes.

The danger right now, from the angle of Roosevelt reelection, is that the Administration may be postponing recovery up to the danger point. This view is based on the assumption that many of the new reforms, although meritorious in themselves, are having the effect of delaying the time when multitudes of business men will decide to expand operations, thus ending the depression in the *only* way by which depressions are ended.

Roosevelt is, therefore, the world's greatest gambler.

Roosevelt's Predicament

ASSUME honesty of purpose on behalf of the President and his crew of officials and politicians. Assume political shrewdness. Assume a desire to maintain the private profit system, with a few alterations.

Conservatives are dropping off from him.

Radicals are dropping off, too. I don't mean "red" radicals, for they are overly-advertised, overly-feared. I mean the "wealth sharing radicals." Most of these aren't interested in communism. They are interested in *divvy* by other means. Their numbers and their force are increasing tremendously. Witness Huey Long, Father Coughlin, Dr. Townsend, the Upton Sinclair forces, the agrarians of the northwestern states.

Roosevelt's problem is to retain enough conservatives and enough radicals to reelect him. That's just what he is striving for. Just now, and until Congress adjourns, his principal political job is to placate the radicals, to go a little distance with them that they will not split off and go their way alone. The secondary job is to placate the conservatives, the business element, *you*. Like it or not, but look at all sides.

Government Bigness

ANOTHER angle of Roosevelt's predicament lies in government machinery. It's like this: The Administration has bitten off an awful lot. It may have been necessary. But the fact is that the government belly is so full of hastily chewed reforms that indigestion pains have set in. The Administration is not comfortable. There aren't enough good men in the whole country, or at least they can't be found, to *execute* wisely and efficiently all the multitudinous programs which the Government has undertaken.

Theoretically, ideally, the Government may be able to do what it has set about doing. Practically, it is proving impossible. Many breakdowns are occurring. Some are apparent, some are covered up by government propaganda.

Sudden bigness is just as bad in Government as in business, and for the same reasons. Men just can't develop overnight to carry big responsibilities. They get intoxicated with power, their judgment goes bad, they blunder, they recognize blunders too late. And the bigger the "bigness" the bigger the blunders.

This is why many thoughtful people believe that our form of Government must be changed to something resembling the fascist form, without the multitude of checks and balances now prevailing. As a reporter, I see many breakdowns in our governmental machinery which will be coming along, and which officials themselves often do not foresee, because they are so subjective about their works. As a philosophic thumb-twiddler (occasionally), I am not certain what the effect of these breakdowns will be.

I can merely remind you to balance in your own mind the respective merits of the Roosevelts, vs. the Huey Longs and Townsends, vs. the stalwarts of both parties. The political choice of any individual during the next few years must be the choice of the least of several kinds of "evils." There will be no return to "normalcy" in the old sense.

1936 Elections

OF COURSE it's too soon to indulge in any serious forecasting of next year's elections. But people think about them, ask about them.

The Republicans haven't any money, or any organization morale, or any logical candidate for the presidency. The Democrats can get plenty of money (indirectly, through government favors), and

their organization is in less bad shape than the Republicans'. A third party, consisting of "wealth sharers," is quite possible. It can't elect, but it can sap strength from the Democrats. The campaign is likely to be a three-cornered brawl.

Prospects would seem to favor Roosevelt's reelection.

Then several years of prosperity, even boom, then a new depression around 1940, and the ousting of the Democrats in a new wave of reform. It takes a long time to establish a millennium.

Budget and Inflation

GET back to now, and the budget. Unbalanced for the year ending the middle of 1936, preceding elections. Unbalanced in the succeeding year, 1937, in my opinion. Therefore, the election campaign will be fought under a continuing budgetary unbalance, with inflation in the offing, with inflation an issue.

Under these circumstances, inflation is bound to win, for the public always likes inflation while it is on the up. It seems so easy, so stimulating, so beneficial. The politicians who advocate it seem so much more plausible than their long-faced opponents who must go back into history to prove that inflation has its morning after.

To balance the budget in 1936 is politically out of the question. To balance it in 1937 would mean drastic curtailment of the dispensation of public funds (for public works and relief) on the eve of an election. Or it would mean some tremendous increase in taxes, also on election eve. To the political mind, neither is thinkable.

Thus the earliest year in which the budget will, or may, be balanced is 1938, and the public debt by that time probably will be upwards of 36 billions. Thus, big borrowings for two years more.

For a year ahead from now, it seems as if government credit will stand the strain. Banks are being regimented into buying government bonds; they can't help it.

Sometime, somehow, new tricks may be devised by the Government, plausible at the time, perhaps welcomed by the public, but leading inevitably to some form of credit inflation. By this I mean the kind of inflation which raises prices and creates speculative business excesses.

The timing of this is difficult. I don't think inflation of the kind which sends commodity prices sharply upward will come in 1935, although many other people do. I think in terms of the strong possibility of it around the middle of 1936, and as a development which will help to reelect Roosevelt.

If it works out this way, 1937 will be what might be called an "inflationary year."

Whether inflation can be controlled is an open question. The Government will have plenty of powers for control, growing out of laws enacted heretofore and during this session. But whether the Government will have the courage to clamp down on inflationary fever, "just when it is going good," is something which no one can say without guessing.

It isn't too early to think about what to do about inflation, when it comes. The affairs of many persons will be changed. Businesses will have to readjust.

Currency Inflation

IN the preceding, I referred to credit inflation, the expansion of bank deposits, of "bank money," due mainly to government borrowings, which are transformed into bank credit.

As for currency inflation, the printing of new quantities of paper money, the chances are that it will not be done, despite numerous pending bills for it, and despite the big push of the inflationary bloc in Congress. Farm mortgages will not be refinanced by new currency. The bonus will not be paid in greenbacks.

Taxes on You

TAXES, of course, must be increased. *When and how much?* Uncertain. Officials up to the present have talked of business boom next year, 1936, and of rising activity and profits, which, with existing levels of tax rates, would raise ample revenues and make a start toward budget balancing, they said. Now, however, the expectations of business boom are more moderate; consequently the estimates of revenue receipts are smaller.

There will be a new tax bill in Congress this session, at issue in May and June. It will surely extend most of the excise taxes which otherwise would expire in June. There is about a 50-50 chance that it will also impose new excise taxes on selected commodities or lines, thus raising the tax revenues next year.

The fiscal arguments are for new taxes. The political arguments are against them, as always. The recovery arguments are on both sides: The burden on business from higher taxes is counterbalanced by the confidence which would be created by a tax move at this time in the direction of budget balancing.

It still seems that there is very small chance of adoption of a general sales tax.

Works and Relief

NEARLY five billions to be spent by the Government for made work and relief in the year starting next July 1.

Officials talk of this as a move to "break the backbone of the depression." It *may*, but the assumption should be taken with a grain of salt. It seems sounder to consider the work-relief program as essential to provide jobs, rather than as a business stimulant. The theory that we can spend our way out of depression is still held by some high officials, but it is frankly an experimental idea.

For the sake of perspective, remember that public spendings of nearly five billions will not be at a rate much bigger during the next year than during the past year. It is not essentially an *increase*; it is a *continuation*.

Social Security

THE social security legislation merely lays the foundation for a system which must be perfected over the next five or ten years.

There will be many crudities in this first act. It was hastily drafted, and even when it is passed by Congress, many of the features will be inexplicable.

It is folly to think of the old age pension scheme as self-sustaining from assessments on pay rolls. It is more accurate to think in terms of government contributions ranging between 500 millions and one billion dollars annually within a few years.

Over the long pull the advantage of both old age pensions and unemployment benefits will outweigh the disadvantages.

Bigness in Business

THE Government is going after holding companies, intent on driving most of them out of business. The idea is that they are unnecessary, and that evils exceed benefits.

You should remember that the purpose is to extend the attack to more lines of business than merely utility holding companies. It is an attack on bigness in business generally. The thought is that there is both economic and social danger in the cumulative pyramiding of business structures, that the power wielded by a few executives at the top is excessive, dangerous.

Taxation is the power to be used to curb bigness—taxation of corporation dividends received by corpora-

tions. This means a tax penalty on ownership of one corporation by another corporation.

The Administration ideas, now being incorporated into legislation, are drastic. It is uncertain just how far Congress will go in accepting the Administration ideas, but it will prove one of the biggest fighting issues along toward May.

Railroads

NOW that the RFC has wider powers to finance railroads, the Government intends to allow a number of railroads to go their natural way into receivership during the next year or two, but to use government funds to get the financial structures reorganized. Government will go far toward dictation of terms, as any big banker would do. Many railroad bond holders will be "persuaded" to accept new bonds, issued on the basis of interest when-and-if-earned.

Other Things

BANKING. Note the Steagall bill, embodying the Administration's ideas on how to centralize further the Government's control of credit, banks and banking. The ideas are mainly those of Governor Eccles. Some of the powers will be legislated, but many will be trimmed out in the Senate, where Senator Glass is the big dog on banking. Glass isn't enthusiastic for the Roosevelt Administration's grandiose ideas about credit control.

Transportation. Most of the Eastman plan for federal regulation of all transportation by a reconstituted ICC will be adopted, but it is doubtful whether trucks will be included this year. Eastman plan probably will bring some railroad operating economies.

Agriculture. Most of the AAA amendments will be adopted, despite opposition from trades. AAA will function more smoothly now that the "wild element" has been cleaned out. Trades should feel much easier. Big problem of AAA is to manage cotton production so as to retain foreign customers; problem may be acute this year.

NRA. Don't know what Congress will legislate. Inclined to think it will fuss and fuss and finally throw up its hands and enact an extension of the present law.

Labor. No mandatory 30 hour bill will be enacted, but there may be some sort of thin bill declaring for the principle of shorter hours, allowing NRA to figure where and how to apply them. Most of the special industry labor boards are working well, actually settling disputes. Overall, the National Labor Relations Board, under Biddle (good man), is trying gradually to establish a series of principles to govern industrial relations. A.F. of L. continues to sulk because it doesn't get everything it asks from Government. Attack on Richberg seems, to outside observers, unfair.

Tax return publicity. No chance for repeal.

Mellon. If Government wins its suit for additional taxes from Mellon, it will stir up a new lot of congressional agitation for "soak the rich."

Radio. Demagogues are using the radio effectively. It's a new way of bringing popular pressure to bear on Congress. But remember that the greatest radio artist of all is Roosevelt, and in a pinch he can do a lot of lobbying on the air.

Housing. RFC can and will finance National Mortgage Associations, which resemble federal reserve banks in home mortgage field, to discount mortgages issued under government standards. Will take a year to get going.

Bonus. Expect enactment of some moderate compromise.

Miss Roche. She is new Assistant Secretary of the Treasury, a business woman of great ability, well worth watching.

Gold clause. Discuss it in next letter.

How Will Now Look in 1950?

YOUR children in the 1950's will say that the '30's were tough times of transition. They will say that in the '20's, after the World War spree, the idea was that "anything went."

They will say that in the early '30's (now), people tasted adversity. The more prosperous yearned for return of the good old times. Many of the less prosperous yelled for the Government to take care of them, and the Government did, until after the middle '30's.

Then in the late '30's a combination of natural recovery and inflation and reform brought back prosperity, and people were happy again. People lost interest in communism, which meanwhile in Russia had shown its weaknesses—the weaknesses inherent in human character. People were satisfied with a strong federal Government at Washington, which drilled state governments into line on national policy. People grumbled at heavy taxes, but gradually became accustomed to them. They lost their fear of "socialism" by the standards of the '20's, and got into controversies over how far socialism should go.

Despite everything, the standard of living rose during the late '30's and early '40's. Inventors and technicians, aided by promoters, produced the visual radio in homes, and changed the transmission of news and advertising. The cheap factory-made standardized house, with well engineered features, played hob with the old-fashioned carpenter, brick layer, local contractor, and local mortgage lender. The mechanical cotton picker brought cheap cotton, revolutionized the South, expanded the cotton areas of the Southwest, and produced the new negro social problem, still unsolved in the '50's.

The 30 hour week was tried and didn't work at first, because technological advances hadn't progressed far enough to replace human labor. But later it came to be accepted as more or less standard.

Social security, for old age and for unemployment (which still persists in 1950), removed a good deal of the fuel of agitation for doing things by revolution, and made the position of the top people in our system (capitalists, entrepreneurs, business men) a good deal more secure than in the early '30's, but somewhat less lucrative.

A real merit system in Government was established in the '40's, following the prostitution of the public service by the Roosevelt regime in the '30's.

The new world war hastened many changes. People hadn't really expected a new world war. It just happened. It brought on the honest-to-goodness plan to take the private profits out of war. Incidentally, it brought a boom on the Pacific Coast, and shifted the balance of economic and political power westward.

The '40's brought determination never to try inflation again. Wealthy got less wealthy. Wealth got distributed around. It wasn't so bad on the big wealthy, but it was a bit tough on the little wealthy, the folks who had saved up thousands and tens of thousands. They blamed the inflationists of the middle '30's.

I'm just imagining all this. But I'm doing it with a reporter's open eyes and ears, with a reporter's flat feet on the ground, and I imagine there may be something to it.

Next month perhaps we can amplify and re-check on the outlook for the next six months, which may mean more to you and to me than the next 60 years.

Sincerely yours,



WIDE WORLD

In the rioting, two men were shot by the police. Two days later, a parade of 5,000 workers moved up Market Street in military order doing honor to the slain men

Behind the San Francisco Strike

By FRANK J. TAYLOR

IT has taken San Franciscans a long time to unravel the inside story of who tossed a \$90,000,000 monkey wrench into the wheels of industry on the Pacific Coast last summer. But bit by bit the facts have come to light and the amazing story of the water front and general strikes of 1934 has reached the now-it-can-be-told stage.

The big wrench was hurled, so to speak, right after that June afternoon when a group of respected labor leaders sat around a big table in the mayor's office. Opposite them sat the equally respected spokesmen of the employers of labor on the waterfronts of the Pacific Coast.

These gentlemen were assembled on the good old Anglo-Saxon principle of ironing out their differences face to face. They were earnestly seeking a basis for industrial peace on the docks where strikes had paralyzed every port on the Coast.

All industry was involved. Merchants clamored for goods needed in their stores before the season made styles obsolete. Manufacturers demanded supplies locked in the holds of ships. Canneries needed materials to preserve the farmers' fast ripening fruit crops.

INVESTIGATION shows that the strike which paralyzed the Pacific Coast for two months last summer was not a quarrel between employers and workers. It was a war between the present social order and those whose goal is to wreck it. Will the next battle be fought in your city?

Altogether, more than \$40,000,000 worth of merchandise was piled on San Francisco's glutted docks alone. Hundreds of ships lay chafing at anchor in the bay, unable to unload or load.

So it was vital to all industry that the water front industrial conference in the mayor's office reach an amicable agreement.

There was every good reason why it should. Government pressure had been brought to bear on both sides. Employers and labor chiefs were willing to compromise. Furthermore, although they were on opposite sides of the table, the labor leaders and the employers' spokesmen were well enough acquainted to address one another as "Tom" and "Ed" and "Mike."

Hours of discussion bore fruit in

the form of a contract providing that the questions of wages, hours, overtime and working conditions be submitted to an impartial labor board. The stickler was the troublesome issue of "hiring halls." On this, labor men refused to budge, but finally they agreed to a plan for establishing jointly controlled "hiring halls," to replace the hated employer-maintained "fink halls," where longshoremen loafed around waiting for employment when ships hove into port.

At this point, a contract was drawn up for all to sign. Three separate times the labor delegation was asked if it had the authority to sign an agreement for ending the strike. Three times the delegates laughed at the idea that the union members might not abide by the terms they,

their leaders, had accepted. One after another they signed.

The strike which had paralyzed Pacific Coast commerce for two months was ended so everyone present thought. San Francisco heaved a great sigh of relief—then pulled it back in again.

Newspaper reporters, after receiving word at the mayor's office that the water front strike was ended, had the happy thought to visit a room in a nearby hotel where an Australia-born stevedore named Harry Bridges had taken a room. Mr. Bridges was chairman of the Joint Strike Committee of the unions involved in the water front strike. He is one of the smartest, ablest politicians who ever came to town.

Labor unions were stampeded

"THEY haven't consulted me about ending the strike," said Bridges.

"Then the strike isn't over?" asked a reporter.

"I'd wait and see," advised Bridges.

When the water front unions met to ratify the contract signed by their leaders, a vociferous group directed by Bridges stampeded the meeting. The A. F. of L. Longshoremen's local rejected the agreement, threw the old leaders out of office, elected Bridges president, and voted to continue the strike until the employers knuckled down to the idea of union-controlled "hiring halls."

And why was the "hiring hall" issue so vital?

Detour a moment for a glimpse of some inside union politics. Until a year or so ago, the San Francisco local of the International Longshoremen's Union was a tight little union of 1,400 members. That was enough longshoremen to handle the traffic of the port. But the Bridges contingent persuaded the local to reduce the membership fee from \$25 to 50 cents and launch a drive which ran the membership up to 4,000. Before the members realized it, the local was packed with newcomers, many of them outsiders. It meant that jobs for 1,400 must be divided among 4,000.

The nub of it all was this:

If the employer controlled the hiring, his gang boss selected 25 to 50 men to unload a ship. He favored the old-timers, the San Franciscans. If the union chiefs assigned the jobs, they could favor their friends. They could even freeze out the original 1,400. So control of the hiring halls was important to them.

There was more dynamite in the political upheaval in the longshoremen's local, as will be revealed later. The immediate result was a crisis on the water front.

Merchants, manufacturers, farm-

ers, renewed demands for immediate delivery of their goods stagnating in the holds of the ships. The ship owners hired college boys, unemployed workers, anyone who wanted a job, to unload their ships. The goods moved to the docks, only to add to the glut of commerce already there, because the teamsters' and truck drivers' union refused to handle these goods which had been contaminated by the touch

50,000 workers had voluntarily joined the ranks of the unemployed.

Restaurants closed, shops and markets exhausted their stocks, service stations ran out of fuel, office workers trudged to work for want of gasoline to run their cars, street cars were stalled in car barns, taxis in garages, commerce came to a standstill and over the city there spread the dread uncertainty of "What next?" It was like a city besieged at war.

Behind the strike votes of the unions, San Franciscans close to the scene were conscious of a mysterious force directing the astonishing precision with which each episode took place in the organized disorder that followed in the week of strikes. Evidence of this unseen high command cropped up in many places.

When union after union held its strike meeting, a militant, organized group invariably stampeded the strike vote, overriding the plans and counsels of veteran leaders.

The old-time union leaders opposed the general strike, as did the national heads of

American Federation of Labor.

Labor union officials who had spent lifetimes building up their locals of the A. F. of L. faced a difficult choice. Either they had to step aside for radicals grasping for their jobs, or they had to go along with the tide into the general strike.

Martial law was urged

THEY chose to head the procession. But more than one of them privately sent word to the Industrial Association urging that martial law be declared.

"For God's sake, get martial law here quick," one of them said. "We've lost control completely."

They knew that the labor ranks were following a Pied Piper to destruction.

When the police, on "Bloody Thursday," undertook to clear the water front of strikers and pickets, because the latter had been overturning trucks and setting fire to freight cars on the state-owned Belt Railroad, they likewise found evidence of this mysterious unseen leadership.

Several battles were fought in the streets that day. Each time the po-



A casualty in the rioting of "Bloody Thursday."
Tear gas was still in the air when help came

WIDE WORLD

lice found the "mob" so well directed that it invariably attacked where the police lines were weakest. Employing proven military tactics, the mob shifted and retreated like an army. What looked like a riot usually turned out to be a real battle.

After the striking teamsters had tucked their trucks away in garages, squads of from 30 to 50 men, with old but high-powered cars, took their stations at each highway artery into the city. Like wartime sentries, they stopped every commercial vehicle bearing food or supplies for the besieged San Franciscans and turned it back. Truck drivers who refused to stop were pursued and driven off the highway into ditches. The sentries worked in shifts, and they were under command of leaders who enforced military discipline and who carried out orders from some authority above.

At the longshoremen's union head-

quarters, every member of the union was required to report daily for duty. His assignment came from the strike committee, directed by Bridges. It might be picketing, rioting or helping to turn over trucks. If he failed to report, he was required to produce a doctor's certificate, proving that he was ill. If he just didn't show up, a committee was assigned to "get" him.

In the battles of "Bloody Thursday," two comparative unknowns were shot by the police. Two days later, an astonishing parade of 5,000 workers moved impressively up Market Street in full military order doing all honors to the slain men. No one could have witnessed that carefully organized parade nor listened to its slow mournful dirge without being conscious of the skilled showmanship behind this mass display of sorrow.

At the height of the strike, George Presley, vice president and manager

of the San Francisco Chamber of Commerce, died suddenly of heart disease. As mourners came out of the chapel at his funeral, they found two automobiles, the hearse and one other, awaiting them. Each bore the permit of the Strike Committee to pass through the streets unmolested to the cemetery.

Two cars to bear a distinguished citizen whom all San Franciscans honored to his final resting place! A mile long procession of cars up Market Street to take two unknowns, one a Communist, to their graves!

Trying to get Army trucks

THE commanding officer of the United States Presidio received a delegation of strikers one day. Their spokesmen complained that U. S. Army trucks were moving through the streets of the city without Strike Committee permits on their windshields. He suggested that if the United States Army would apply to the Strike Committee a sufficient number of permits might be issued to operate such Army trucks as were absolutely necessary. The general replied briefly that he still took his orders from the United States Government. He assigned a corporal to escort the delegation to the edge of the military reserve and drop them off.

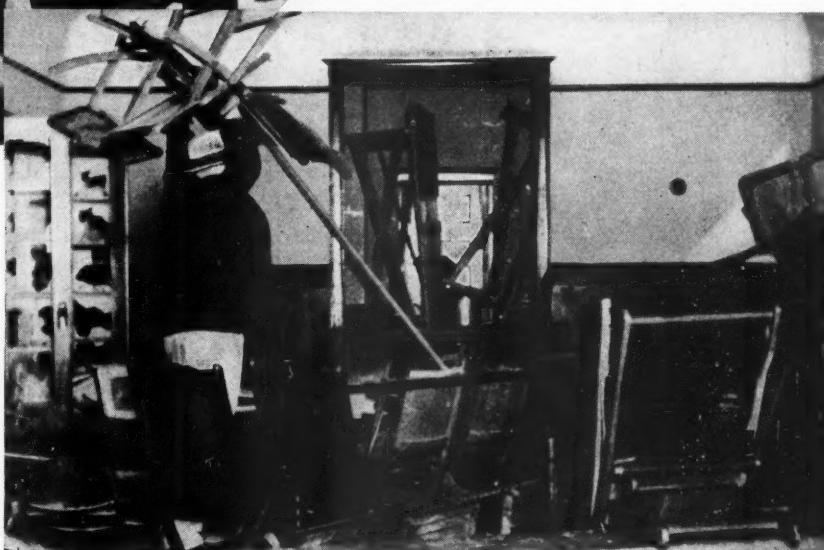
But all other trucks did bear the big windshield permits of the Strike Committee. They bore them or they lay on their sides in the streets, their contents spilled on the pavements. For the sake of the children, the Strike Committee permitted milk and bread trucks, express and mail trucks and a few others to move.

Incidents could be cited endlessly
(Continued on page 62)



WIDE WORLD

As food stores diminished hungry citizens crowded cafes which had permits to open. Some of those in line here waited four hours for service



Self-appointed bands of patriots wrecked communist meeting houses. Within a month every one reopened

Picture Editorials on the Subject of Mounting Taxes



"Cooperation"

HERBERT JOHNSON IN THE SATURDAY EVENING POST



"As the Taxpayer Sees It"



"They Are Sending Him Flowers Now"



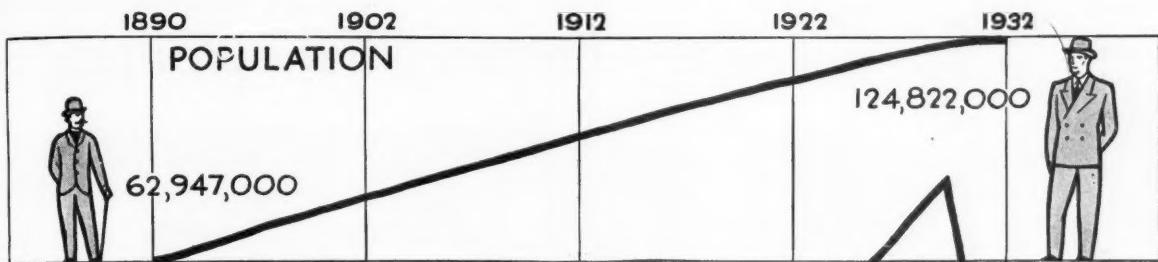
"The Man on the Flying Trapeze"

"The Magic Pitcher That Never Runs Dry"



NATION'S BUSINESS for March, 1935

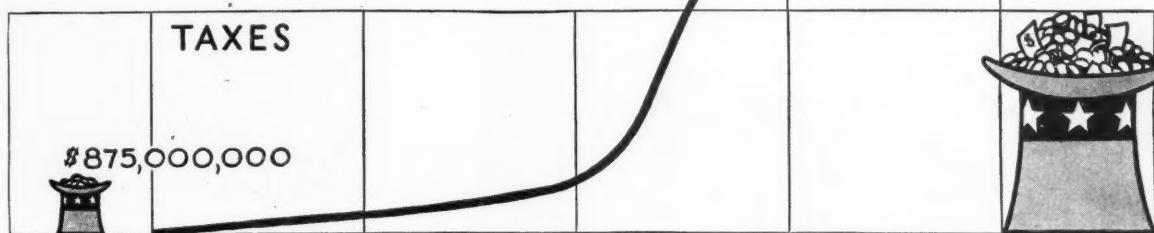
As America Grew Up!



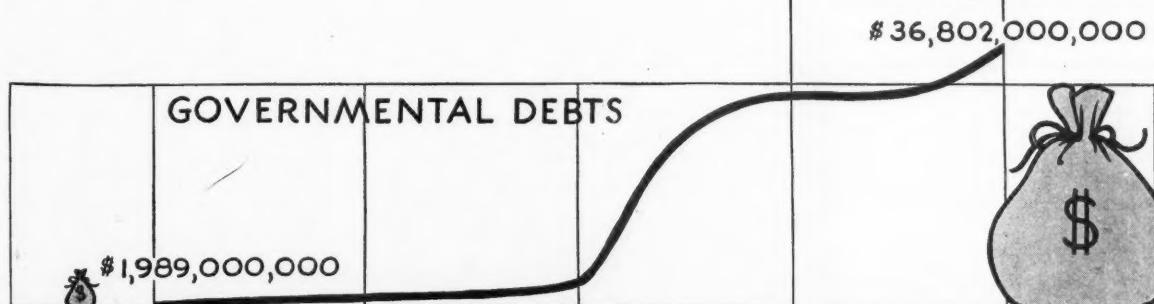
Who's the little man on the left? He's the American public forty odd years ago. He's grown steadily and very evenly since then. In 1932 he had doubled his stature



And did he grow rich? Just look! When he was 63 millions in size he made 12 billions a year. By 1929 he shot that up to 85 billions a year—seven times as much. He did run into hard times and at the end of 1932 his income wasn't seven times, but three times what it was in the 90's



Of course he had to keep his standard of living up to his income. He had to have schools and colleges and better water supply, more police and navies and consuls, and he cheerfully paid more than nine billions a year for these necessities at one time. But look at the growth of his income!



Did he pay for all this day by day? He did not. He bought his fire engines and battleships and schools for posterity. Let posterity help pay. Forty odd years ago he owed two billions—city, state and federal—a sixth of his income. His debt never dropped. When the Federal Government was cutting down its debt, the states

and cities borrowed more. When he was 63 millions he had a 12 billion dollar income, a nine billion cost of living and a debt a sixth of his income. Two years ago—and his situation isn't much better now—he owed as much as he took in in a year and his current payment out of every dollar was 21 cents for taxes

They Stated Their Opinions



G. E. Frazer:
"Without open
prices we would
be unable to pay
present wages"



G. G. Haskins: "A waiting period
is necessary in an industry doing
a national business"



A four-day hearing, even
on price fixing, has its
lighter moments



FOR NATION'S BUSINESS BY MCALVY
Q. Forrest Walker: "If we cannot control
supply and demand, we can't control price"



MCALVY
Leon Henderson reviews the testi-
mony. Chairman S. Clay Williams
listens at the right



Most of the sessions drew
packed houses. More than
60 witnesses testified. Near-
ly 300 filed briefs

The Fight on Price Fixing Goes on

BUSINESS took the National Industrial Recovery Board at its word "to give us the benefit of your experience, suggestions, and opinions" with regard to the working of price provisions in the codes, packed the big auditorium of the Department of Commerce for four days, and unfolded a story as variegated as the pattern of trade and industry itself.

More than 60 persons testified. They represented trade associations, manufacturers, city governments, purchasing groups, code authorities, consumers' interests, retailers and wholesalers.

This hearing, said the Board, was called to "consider the general aspects of price fixing" rather than the "advisability of modifying any code."

Welcoming the spokesmen for business, S. Clay Williams, chairman of the Board, said:

This procedure traces back to the National Industrial Recovery Act. . . . One of its objects is to eliminate unfair competitive practices and one of our objects is to find where that line lies, so as to eliminate unfair competitive practices and yet stop short of any destruction of your competitive system. . . . The search for that line, to write the provisions that will establish that line, is the purpose of this hearing.

In a resolution defining its position with regard to its first hearing on price provisions in the codes, the Board said:

The Board hereby announces as its proposal for this first hearing and as its present position with respect to price fixing that in the usual case it is inconsistent with the most effective functioning of our industrial system to have in or under codes of fair competition price fixing in the form of permanent schedules of minimum prices, with or without mandatory costing systems for the purpose of establishing minimum prices. . . .

The Board recognizes the value of permissive cost systems, emergency price provisions and the dangers to the economic structure of destructive price cutting. It also recognizes that minimum prices may be proper for the normal operations of certain types of industry, but, in such cases, Government supervision and control would naturally tend to be increased.

What the Board heard was aplenty.

Herman H. Lind, general manager of the National Machine Tool Builders' Association, advocated open-price provisions as against fixed

TO fix prices or not to fix them? That was the question which the National Industrial Recovery Board faced and on which it asked the advice of business. The resulting hearing continued for four days. Here are some of the opinions expressed



FOR NATION'S BUSINESS BY MCNAVY

As the price-fixing hearing opens, Blackwell Smith, legal adviser of NIRB, explains the procedure for witnesses and spectators

prices. He argued for a waiting period to prevent discrimination between customers." He said:

When prices are established openly, as under the open price plan, every producer has the right to make any price he sees fit, but the price he makes becomes his established price, known to all. If he makes his price too low, he loses money; if he makes the price too high, he loses business. If he gives quantity concessions or makes seasonal deductions, they are known and can be enjoyed by all buyers.

Favoring open prices

OPEN price filing, with a provision for a waiting period between the time prices are filed and the time they become effective, was supported by John W. O'Leary, president of the Machinery and Allied Products Institute.

Most of the 58 supplementary codes governing the machinery and allied products industries, he explained, provide for open price filing, and some include provisions for waiting periods. These waiting periods have been "stayed" or made tempo-

rarily ineffective by NRA administrative orders. Of prices he said:

"It seems to us that the open filing of manufacturers' prices is a step forward in the economic process. . . . Open price filing should not only be permitted; it should be encouraged."

Commenting on the official "staying" of the provisions for waiting periods in the machinery and allied products open price sections, he added:

"We do not believe that this is good practice. We believe that waiting periods should be established to suit any particular industry."

Irving C. Fox, of the National Retail Dry Goods Association, favored elimination of "predatory price cutting," but was "unalterably opposed to provisions which induce price fixing."

He contended that the major part of the price listing and cost accounting systems are "price fixing devices" and as long as they remain in codes will be used as such. He asked elimination of these provisions, inclusion of only trade practices which would

assure ethical business and prevent "predatory price cutting."

"Can anyone show me a code which says that any manufacturer must provide his customers with price lists?" Fox asked.

"Yes." "Yes," came a chorus of replies.

Prices, and supply and demand

"If we cannot control supply and demand, we cannot achieve economic control of prices," Q. Forrest Walker, economist of R. H. Macy & Co., New York, told the Board. He said:

Under many of these codes we have attempted to harness the economic tides by a wide variety of production controls. We limit machine hours, the number of shifts, the installation of new equipment, assign quotas, fix basing points, and otherwise restrict production by all of the time-worn monopolistic devices which flourished in the trust and pool era prior to the Sherman Act. We have raised prices by these methods, but we have also choked the demand which we cannot control. These devices are doomed to economic failure because they can operate only to foster special privilege, destroy initiative and the opportunity for private profit. We cannot safely grant such power to code groups because, in effect, it is the grant of power to control prices.

Our so-called business statesmanship has created a system which, if not promptly abandoned, must ultimately compel complete governmental control of private business.

George E. Frazer, counsel for the Gas Appliance Committee, recommended continuation of open-price provisions in codes.

"Without them," he asserted, "we would be unable to pay the present wages."

A waiting period of 10 days, he said, is essential to the successful operation of the open-price system in his industry.

He explained that it offers the only means of assuring small manufacturers receipt of price lists at the same time the larger firms receive them. Elimination of the system in his industry, he felt, would result in espionage to reveal prices of competitors.

G. G. Hoskins, chairman of the Macaroni Code Authority, said:

"Open price provisions in an industry which does business nationally cannot be operated satisfactorily without a waiting period."

Provisions for waiting periods in most codes which contain them have been stayed by administrative order.

Howard P. Beckett, commissioner for the Code Authority of the set-up paper box industry, charged that failure of the NRA to approve the proffered costing system of the industry, and to enforce price control provisions caused prices to fall "lower than ever before in the industry." Members have withdrawn moral and

financial support from the code and wages are threatened, he added.

Earl Constantine said that the Hosiery Code Authority of which he is chairman had tried to develop a costing system for application throughout the industry, and had found it too cumbersome.

"By the time it could be applied, the horse would be out of the barn and down the road," he said.

Theoretically, he said, the plan was all right, but practically it was ineffective.

Dr. Paul H. Nystrom, president of the Limited Price Variety Store Association, said that business faced increasing governmental control if the tendency toward price fixing persisted.

"Do business men think that the public will stand for price fixing without governmental control?" he asked, adding that price-fixing provisions had no part in the principles of the National Industrial Recovery Act. Every code carrying a provision for minimum prices, he said, meant a step toward monopoly.

The public purchasing agent's troubles with price control were related by Joseph W. Nicholson, purchas-

necessary. Frank A. Bond, representing the Code Authority of the Chain Manufacturing Industry, said he had been trying to "promote an open price filing code for a year and a half."

He also stressed the need for a waiting period and denied that under open price systems "large manufacturers can dominate and browbeat smaller units."

"The little fellows in such a situation don't have to follow an advance price, while everyone knows that every industry must follow a decline in price."

David T. Mason, executive officer of the Lumber Code Authority, stated that chronic overproduction in the industry and "liquidation" of the forests forced the industry to some form of price and production control. He argued that the price control system, dropped by the National Industrial Recovery Board December 22, 1934, had been beneficial in spite of technical administrative difficulties.

William H. Hager, president of the Pennsylvania Retail Dry Goods Association and former vice president of the National Retail Dry Goods Association, said:

The stop-loss provision in the retail code is not price fixing. The National Retail Dry Goods Association has always opposed price fixing. Surely the code should define some limit of protection against the self-destruction of retailers by cut-throat competition.

C. Clafin Young stated that the National Retail Solid Fuel Code Authority, of which he is chairman, feels that the code's provision for establishing lowest reasonable costs, to be included in retail prices, should be retained.

Mrs. Harris T. Baldwin, vice president of the National League of Women Voters, declared that "Price fixing eliminates the protection to the consumer which competition under the antitrust laws gave."

A small profit is necessary



Herman H. Lind advocated open prices as against fixed prices in codes

ing agent for the city of Milwaukee, and by Miss Mary E. O'Connor, who is director of purchases for New York State.

Henry B. Abbott, purchasing agent for Purdue University, also protested against "destructive artificial control of price structures."

Nicholson declared that the large cities intend to break up the existing collusion and are "prepared to enter into competition with producers" if

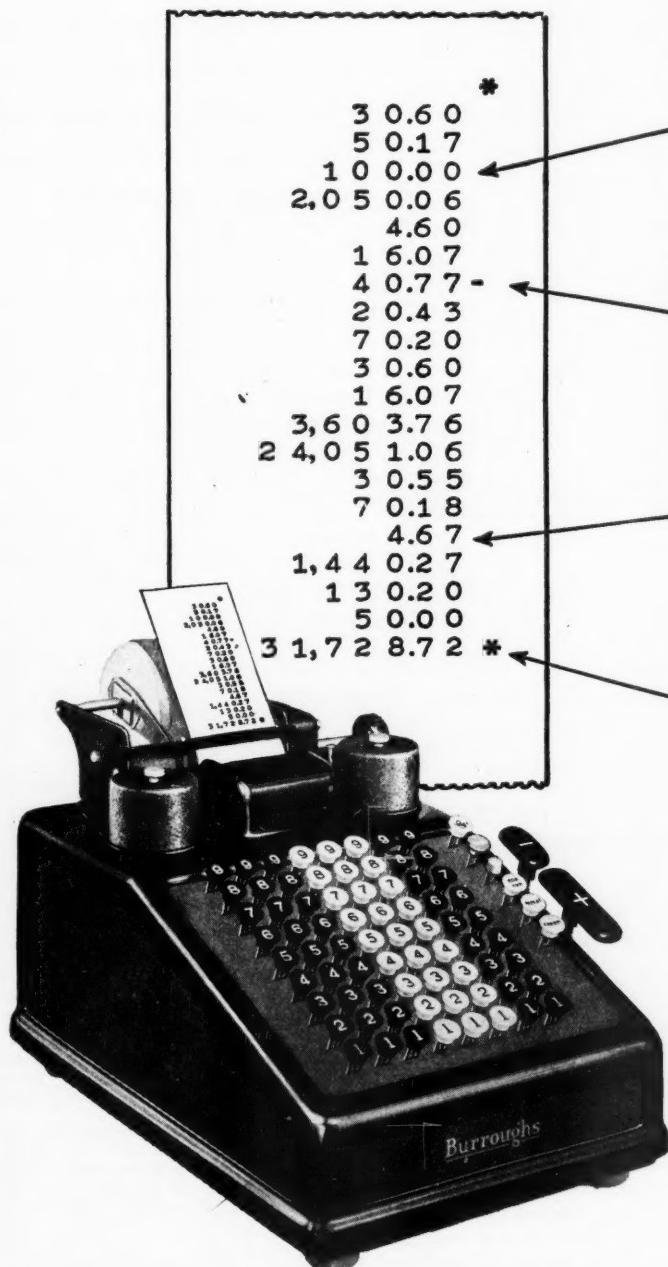
GEORGE A. SLOAN, chairman of the Consumers' Goods Industries Committee and of the Cotton Textile Code Authority, called upon NRA and industry "to make existing measures work or to produce something that will work better." He said:

Until it is shown that industry is earning a return which does more than merely replace impaired working capital, make possible the restoration of credit, replacements and improvements on a reasonable scale, pay interest charges and some small return in the form of dividends, it is idle to class these activi-

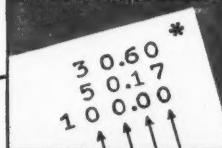
(Continued on page 66)

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You Can't Disinherit Uncle Sam

By PAUL P. PULLEN



Apparently the theory of redistribution of wealth has now become a fact so far as death taxes are concerned

A PROMINENT man was quoted recently as saying that the only business which has shown any real improvement under the present recovery regime is the business of collecting taxes. It is not reported whether he referred to the huge increase in the amounts collected, to the ingenious methods employed in finding new commodities and services to be taxed, or to the wide variety of jurisdictional bodies seeking to balance their many budgets. Perhaps he referred to all three.

This much is certain: The business of collecting estate and inheritance taxes has increased out of all pro-

portion to other forms of enterprise.

The federal estate tax on a decedent's estate of \$120,000 under the 1926 Act was \$40. Under the 1934 Act the tax on an estate of the same size is \$2,740, an increase of 6,850 per cent; an increase alone of more than one year's income on the entire estate. Of course this huge increase is not apparent from a casual reading of the rates set forth in the tax tables. The Act and its amendments are not so simple as that. But here is the way it figures out:

Under the 1926 Act, the first \$100,000 of an estate was exempt. That is, an estate of \$120,000 was taxed to

UNDER present estate and inheritance taxes, it is possible for the Federal Government to become the chief heir when an estate is closed. And indications are that present rates may be increased

the extent of only \$20,000. The tax rate was one per cent, so the total tax was \$200. As a partial offset to this tax, however, an allowance was made for the amount paid as estate, inheritance, legacy, or succession taxes to any state jurisdiction not to exceed 80 per cent of the federal estate tax. Thus the 80 per cent allowance against the \$200 tax reduced the amount of such federal tax to \$40. For those who relish their figures served up in tabular form:

Gross estate.....	\$120,000
Exemption	100,000
Taxable estate	\$ 20,000
Tax due at 1 per cent.....	\$ 200
Less 80 per cent credit.....	160
Net tax, 1926 Act.....	\$ 40

The 1934 Act increased the tax payable in three different directions: the exemption was cut in half; the tax rates were increased several fold; and the 80 per cent credit, instead of being extended to apply to the tax paid under the 1934 Act, was limited to 80 per cent of the amount which would have been paid under the 1926 Act. Under the present Act the tax on an estate of the same size is:

Gross estate.....	\$120,000
Exemption	50,000
Taxable estate.....	\$ 70,000
Tax on first \$10,000 at 1 per cent.....	\$ 100
Tax on next \$10,000 at 2 per cent.....	200
Tax on next \$10,000 at 3 per cent.....	300
Tax on next \$10,000 at 4 per cent.....	400
Tax on next \$10,000 at 5 per cent.....	500
Tax on next \$20,000 at 7 per cent.....	1,400
\$70,000	\$ 2,900
Less 80 per cent credit on \$200 (the tax under the 1926 Act).....	160
Net tax, 1934 Act.....	\$ 2,740

Sixty-eight and one-half times the tax under the 1926 Act! It is doubtful whether history records another sin-

Bills — Bills — Bills



COULD your wife take care of those bills for rent, food, clothing, fuel, lighting and other necessities, if anything happened to you? Life Insurance will help you to answer this question with confidence. It will provide cash in amounts and at times specified by you.

Your program for paying the future bills of your family may require the use of one or more policies and forms of optional settlements. For example, after arranging a cash fund to take care of immediate obligations, you may wish to provide an income of \$100 a month for twenty years and, in addition, a cash payment of \$10,000 at the end of that time. Possibly, the needs of your family may require smaller or larger payments, with corresponding differences in cost.

A Metropolitan Field-Man will be glad to

help you build a practical Program of Life Insurance which will give your family added security and enable it to face future bills unafraid. Send for him or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.



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(N)

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METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

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gle piece of legislation which, by one Act, increased a tax 6,850 per cent.

And an estate of \$120,000 although much larger than the average, is not one of unusual size by any means. Suppose we examine a really large estate, to see what would happen to it under the existing estate tax law. While it is as yet too soon to admit of the probate of and tax assessment on the estate of anyone dying since this new Act was passed, it is, nevertheless, possible to apply its provisions to estates which have been settled recently.

George F. Baker, well known New York banker, died May 2, 1931, leaving a gross estate appraised at \$77,520,652. After deducting funeral expenses and expenses of administration amounting to \$2,388,569 and debts of \$1,372,399, there remained \$73,759,683 subject to taxation. The bulk of the estate consisted of securities: \$73,782,052 in stocks and \$2,081,250 in bonds. Other items included \$772,000 in real estate, \$85,802 life insurance, \$98,745 in cash, mortgages, and notes, and \$700,806 in other property.

Inheritance and estate taxes are assessed on the value of the estate at the time of death; no relief is provided for any subsequent depreciation. Between May 2, 1931, and May 4, 1934, however, the market value of the securities declined from \$75,863,302 to \$45,336,794—a shrinkage of considerably more than \$30,000,000. The state and federal taxes, assessed on the value of the estate as of May 2, 1931, amounted to \$13,728,583. After allowing for shrinkage, debts, and taxes, the present value of the \$77,000,000 estate is now slightly less than \$31,000,000.

But had the present Act been in effect at the time of Mr. Baker's death we should have this result:

Value of Net Estate, May 2, 1931	\$73,759,683
Federal Estate Tax on first \$10,000,000	4,416,600
Federal Estate Tax on balance of estate at 60 per cent	38,255,809
Total Gross Federal Estate Tax	\$42,672,409
New York Estate Tax	14,106,436
	56,778,845
Less 80 per cent Credit based on 1926 tax rates	11,284,348
Total Tax	45,494,497
Market Value of securities in estate May 4, 1934	\$45,336,794

Apparently the theory of the redistribution of wealth has now become a fact, so far as death taxes are concerned. If the present tax rates had obtained at the death of Mr. Baker, and if all of the securities had been sold on May 4, 1934, the proceeds would not have been sufficient to pay the tax bill.

But it is not only in the case of

very large estates that death taxes take a substantial toll of property or show huge increases since the Revenue Act of 1926. Glance for a moment at the following table:

Gross taxable estate	Tax under 1926 Act	Tax under 1934 Act
\$ 50,000	\$000	\$00,000
60,000	000	100
70,000	000	300
80,000	000	600
90,000	000	1,000
100,000	000	1,500
120,000	40	2,740
150,000	100	5,200
250,000	600	15,200

Under the old law the maximum rate was 20 per cent; under the new Act it is 60 per cent. And it must be remembered that the figures in this table are for the federal estate tax only and are in addition to the state inheritance and estate taxes.

The federal estate tax is neither a property nor an inheritance tax. It is an excise tax upon the transfer of property from decedents to others. In principle it differs from the inheritance taxes imposed by the several states. These latter taxes are levied on the right of individual legatees and beneficiaries to receive their respective inheritance. Estate taxes are assessed against the estate as a unit. Inheritance taxes are assessed against the recipients of the testamentary gifts. Forty-five of the 53 states and territories now have inheritance tax laws.

As a rule, inheritance tax laws grant certain individual exemptions, the size of the exemption depending on the relationship of the heir to the decedent. Twenty-two of the states and territories having inheritance tax laws grant no exemptions whatever to "strangers to the blood," that is, to persons who inherit but who are not related in any way to the decedent. From nothing, for those of no kinship, the exemptions range upward to \$75,000 for the wife of the decedent, in Kansas. The rates of tax vary from one-half of one per cent, on inheritance by the nearest kin, in Kansas and Rhode Island, to 64 per cent, for those of no kinship, in the Philippine Islands.

Upon the passage of the 1926 Federal Revenue Act, which allowed a credit against the succession tax paid to any state or territory up to 80 per cent of the amount due as a federal tax, many legislatures passed state estate tax laws taxing decedent's property an amount equal to the 80 per cent credit allowable under the federal estate tax laws. At this time 38 states and territories have such laws in force. Thirty-two jurisdictions have both inheritance and estate tax laws.

The 1934 federal estate tax Act

does not alter the provision of the old law with respect to life insurance. All insurance proceeds payable to the estate or to the executor or administrator are taxable the same as any other estate property. All life insurance exceeding \$40,000 payable to named beneficiaries is taxable if the insured has paid the premiums and retained any incidents of ownership, such as the right to change the beneficiary.

In their levies on life insurance proceeds the states are much more lenient than the Federal Government. While they uniformly tax the proceeds if payable directly to the estate of the insured, most states exempt in whole or in part insurance proceeds payable to a named beneficiary. Wisconsin is the only state which includes all life insurance proceeds as part of the taxable estate.

In Alabama, Florida, Georgia, and Tennessee the exemption is the same as under the federal estate tax law—\$40,000.

In Mississippi, North Carolina, North Dakota, and Oklahoma, the exemption is \$20,000. In Colorado it is \$75,000 and in Montana \$50,000. In New York \$40,000 is deductible from the last or highest taxable brackets. In Arkansas the whole amount payable to the widow or direct ascendants or descendants only is exempt.

One tax or the other gets it

IN LARGE estates the advantage gained through the liberality of the state inheritance tax laws with respect to life insurance proceeds may be lost through the operation of the 80 per cent credit allowed under the federal estate tax law for taxes paid to the states. What the state does not take the Federal Government does. Assume that a resident of Illinois dies leaving \$400,000 in life insurance payable to his wife. He has no other assets. The federal estate tax will amount to \$35,200, against which a maximum credit of \$5,520 may be deducted for taxes paid to any state. However, since Illinois does not tax insurance payable to a named beneficiary there is no opportunity to take the credit. In those states having estate tax laws under which levies are made in the same manner as by the Federal Government the credit is available to the taxpayer.

Perhaps no single phrase in inheritance tax laws has been more provocative of litigation than that simple one of four words: "in contemplation of death." Cases have come before the courts in nearly every state seeking to interpret it.

It is obvious that if one were per-

(Continued on page 58)

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Service Manager
GEORGE THOMAS, INC.
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DROPPED 35%
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"I keep a very accurate service record on all our trucks. Since changing to Goodrich our tire cost per mile dropped 35%—due to longer life of the tires and to the great savings in repairs. We have not had a single sidewall failure with these tires. This not only reduces expenses but helps our drivers keep a clean no-accident record."

That's one man's experience. Multiply it by thousands and you have a picture of the tire that has amazed truckers.

There's a reason back of it all. Triple Protected Silvertowns offer positive protection against 80% of premature failures! That means you can now get tires that are built to wear out—not blow out! No other tire has these three features:

1 PLYFLEX—a new, tough, sturdy rubber material with greater resistance to stretch. A layer of Plyflex in the sidewall prevents ply separation—distributes stresses—checks local weakness.

2 PLY-LOCK—the new Goodrich way of locking the plies about the bead. Anchoring them in place. Positive protection against the short plies tearing loose above the bead.

3 100% FULL-FLOATING CORD—Each cord is surrounded by rubber. With ordinary cross-woven fabric, when the cords touch each other, they rub—get hot—break. In Silvertowns, there are no cross cords. No friction.

80% of Premature
Truck Tire Failures
Occur in the Sidewall
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Only GOODRICH
Offers This 3-Way
Sidewall Protection—
1. Plyflex 2. Ply-lock
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FREE! TRUCKERS' HANDBOOK
Every trucker, every driver should have this big 44-page book. Gives commodity weights, load schedules, tire and truck data. Write for free copy. Dept. T-10, The B. F. Goodrich Co., Akron, Ohio.

Goodrich *Triple Protected* Silvertowns

SPECIFY THESE NEW SILVERTOWN TIRES FOR TRUCKS AND BUSES



Watchdog to a Community

By a Chamber of Commerce Secretary

YES, this is the Chamber of Commerce. Oh! Yes, Madam, business has improved. No, I don't know why you aren't getting more for your ducks. You say you can't clean and dress yours and the market won't accept them? No, I don't know why there are such laws. No, we have never tried to change those laws. Yessum, we're busy these days. What with? Well, the tourist traffic is heavy and we're trying to find accommodations—what's that? We ought to pay more attention to the farmers and less to the visitors? Just a moment, Madam.

"Didn't the 'Tourist Retreat' buy a hundred chickens from you last week? Didn't you get more cash than if you'd shipped the chickens? Well, I thought so. Do you know who ate those chickens? You don't care? Well, they were used to help feed two busloads of Pennsylvanians which the Chamber of Commerce brought down here sight-seeing. Oh! I see. We're supposed to do that? Ummm! May I ask who you expect pays the bills to keep the Chamber of Commerce running? It's not your business? It's a public institution and the business men ought to support it? Isn't a farmer's wife somewhat of a business woman—Oh! Heck. Never mind, Central, if the lady has rung off."

I hang up the receiver. Perhaps with a trace of cynicism I remark, "And that's that."

"Old hens!" snaps the clerical force, having checked her machine-gun obligato on the typewriter when the phone rang.

THOSE larger activities of chambers of commerce—battles for intelligent budgeting of public expenditures, industrial expansion and trade development, problems of transportation, development and conservation of natural resources—are well known. But every city also has its little problems—by-products of human nature, minor activities and annoyances—that somebody must do something about. That is the side of the picture we see here in the interrupted musings—frequently heretical—of a man who refuses to view either himself or his job through rose-colored glasses

"Ducks, my dear, ducks. Not old hens," I correct with executive dignity.

"Humph!"

Blue eyes of twenty look at me thoughtfully. The diminutive electric fan (borrowed) on top of the filing cabinet purrs in the 105 degrees of July atmosphere that simmers in the 14 by 14 office.

"Ducks. Maybe. I'll bet they waddle and wear stockings when they go in bathing annually on their W.C.T.U. picnic."

The typewriter keys begin a rapid

fire movement, the diminutive fan drones on and I offer a silent prayer to the gods of competition for producing practical but personable stenographers.

The heat of the day lulls my powers of resistance. My thoughts drift toward a nearby creek where cool sea water is flowing in on the flood tide and—a precise voice breaks in.

"If I am to type that River and Harbor survey to go out in today's mail for the U. S. Engineer you'll have to translate the data on your desk first."

The typewriter keeps on with its monotone.

With obvious resolution I focus my attention upon a mass of commercial statistics of the type familiar to every chamber of commerce secretary. For half an hour I endeavor to break them down and rearrange them in a shape that may appeal to the imagination of the U. S. Engineer.

The phone rings irritably. I reach for it and am waved back. "Yes, Ma'am. The bus leaves at 6:55 P.M. The fare is \$7.36 round trip."

The typewriter chatters on and again I plunge into the "increased demands for improved water transportation, etc."

"Some more visitors," comes a low-voiced warning.

A search for employment

A HARDY variety of automobile grinds to a stop in front of the door. It exudes boys and still more boys. They jam into the office. One non-



MANY thousands of concerns, large and small, are now finding new and more effective ways of increasing sales . . . simplifying methods . . . speeding up work . . . and making important savings, through the use of Addressograph and Multigraph business machines.

Since the turn of the century businesses throughout the world have profited by the methods this equipment has made possible. But today they are keeping in gear with the faster pace of 1935 and new and greater opportunities . . . and they are saving money as they progress . . . through use of this equipment in all departments.

In these offices Addressograph is doing hun-

dreds of name- and data-writing jobs ten to fifty times faster and always without mistakes. Multigraph and Multilith—new office lithograph machine—are building sales at less cost by producing advertising and selling helps at big savings. And they are reducing expenses in general business form printing.

Any of the more than 100 machines will easily save its cost and pay high dividends. Proof is in the brass-tack facts which will be supplied on request.

**ADDRESSOGRAPH-MULTIGRAPH
CORPORATION**

Cleveland • Ohio

Offices in Principal Cities Throughout the World

Addressograph

TRADE MARK

Multigraph

TRADE MARK

chalantly half seats himself on the typewriter desk; a pair of blue eyes lifts and looks at him steadily. He stands erect.

"We're looking for jobs. Any kind. Told to come and see you. What about the CCC, Mister?"

It's a wistful group that listens to me. Crops bringing nothing. Local business in the doldrums.

"Nothing for boys to do around here, Mister," one volunteers.

"No place to go," adds another.

"And no one to tell us how to get there unless you can," chimes in a third, hope lighting up his tanned face.

"Got nothing to get there with," growls a pessimist and they all laugh awkwardly. I join in and they lose their self-consciousness. The purring of the little fan and the chatter of the typewriter synchronize. I look the boys over, thinking. They speak my language. Back of them are generations of English people. Headstones in family burying grounds in our county that were old when the Revolution was fought bear their names and now, "there is nothing for boys to do around here."

I explain that our district hasn't been allowed any quota for the CCC. County failed to set up a relief unit. Might have a quota later but no assurance. The Army, Navy and Marine Corps are enlisting some men.

"You'll have to be 100 per cent physically fit and show some education," I said.

"Gosh," gasps one, "four years is some time."

It is to youth.

"They help you get more education, don't they?" asks a boy whose father I know made a one-way trip to France in 1918. "I'd join anything if I could learn what I want."

I hand out the terse, printed matter prepared for possible recruits.

"We'll file your names in case there is a quota for CCC."

I tell them what is needed. The typewriter stops, and eight names are quickly taken.

"Thank you, Mister," almost in unison. They file out, crank their caravall and disappear down the highway.

"That's 205 we have listed in a month and a half," reports the precise voice.

"Look like nice boys," I suggest meditatively.

"Most boys are nice," responds the precise voice, "if you catch them young, train them right and give them a chance. May I get my lunch?"

The papers in front of me are lifted off my desk, my lunch is unearthed from my brief case. My clerical staff starts on her way to the roadside cafeteria.

Unpleasant feature of the country

SHE doesn't get far. An eight cylinder 1935 model appears almost noiselessly at the side of the office.

"Where's the secretary?" demands

an assertive feminine voice. "In conference? Well, this is important. I'm having a week-end house party and one of these farmers has spread a lot of fish all over a field and these fish had been dead sometime, young lady. There is no local health officer. The Chamber of Commerce hasn't any right to induce people to buy homes in the country if it can't protect them from such nuisances. Oh! that's fine. You just tell the State Health Department to step on the gas."

The screen door opens far enough for the clerical force to poke in its head; a precise voice with a leavening of humor announces, "What this country hereabouts needs is not a Chamber of Commerce but—" the screen door closes noiselessly.

A diminishing click of high heels. A locust choir in a grove close by drones metallically and the diminutive fan, answering the challenge, seems to change its tempo. Then, for 45 minutes I am left alone with my iron rations and considerable food for thought.

By this time I know you will understand that I am trying to give you a close-up of a chamber of commerce in action. There are chambers of commerce and chambers of commerce. Ours is a rural one.

It is a little oasis set in the heart of an old, conservative, rural culture. Surrounded on all sides by F.F.V.'s, some artisans, shopkeepers and peripatetic politicians. It has something really different in climates. Please don't forget the climate.

Its duties and functions are simple. It is expected to play watchdog for 50,000 human beings (latest actual figures including recent twins sent upon receipt of self-addressed envelope) salt-and-peppered over an area of 600 square miles, plus.

Upon the approach of strangers of dubious aspect such as flimflamers, gold brick purveyors and rubber-check operators, it must bay loudly. If the "furriners" are of guileless mien, show symptoms of wanting to buy \$50 an acre land for \$100, the watchdog must wag its tail in friendliness.

Doing the impossible

AT other times the secretary and the clerical staff are expected to earn the salary and wages which they may receive (when crops sell) by telling the world what it has missed by not being born here; stimulate sales of farm commodities (in markets already glutted from speculative planting); check the rapacity of the transportation tycoons; give advice to the lovelorn; find jobs for the youth; capture a tourist for every bed in every tourist home; compile local



"We're looking for jobs—nothing for boys to do around here, Mister. What about the CCC?"

Look at the new low prices . . .

**Prove the greater operating economy
and as for the performance**

DECIDE WITH A RIDE

CHEVROLET

CHÉVROLET has always specialized in giving extra value. But never before has Chevrolet offered such big and outstanding values as these fine Chevrolets for 1935. The New Standard Chevrolet . . . powered by the improved Master Chevrolet engine . . . setting a new high in Chevrolet performance, stamina and reliability. And the new Master De Luxe Chevrolet . . . beautifully streamlined . . . longer and notably lower in appearance . . . the Fashion Car of the low-price field. Here, indeed, are values that excel all previous Chevrolet values. You can

see the low prices . . . the lowest ever placed on cars of such high quality. You can prove the greater operating economy. For tests show that the new Chevrolets give even higher gasoline and oil mileage than did last year's models. And as for performance . . . well, there's only one thing we ask you to do . . . decide with a ride! You will experience getaway—power—and smoothness so extraordinary that you will be happy to confirm the wisdom of the statement: Choose Chevrolet for quality at low cost. May we suggest that you drive one of these new Chevrolets—today?

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN

Compare Chevrolet's low delivered prices and easy G. M. A. C. terms. A General Motors Value

THE NEW STANDARD CHEVROLET

\$465

AND UP. List price of New Standard Roadster at Flint, Mich., \$465. With bumpers, spare tire and tire lock, the list price is \$20.00 additional. Prices subject to change without notice.

THE NEW MASTER DE LUXE CHEVROLET

\$560

AND UP. List price of Master De Luxe Coupe at Flint, Mich. \$560. With bumpers, spare tire and tire lock, the list price is \$25.00 additional. Prices subject to change without notice. Knee-Action optional at \$20.00 extra.

CHEVROLET for 1935

CHOOSE CHEVROLET FOR QUALITY AT LOW COST

historical data for school children (whose forefathers didn't have time to do it); check the decline in population—

"Darn the phone. Where's that girl? Chamber of Commerce speaking. Certainly, judge, what time is the meeting? Thank you, I'll be there."

Ten seconds later, "Gosh, I promised the wife and kids I'd take them to the movies."

For the benefit of readers whose acquaintance with chamber of commerce practices and technique has been limited to using short and ugly words every four months upon the receipt of a "Statement of Membership Dues" it may be said that the American business acumen and "go-getter" propensity is credited with creating that all-embracing institution, the "chamber of commerce."

Chamber of commerce secretaries, admitted (by themselves) as most conservative among semi-public servants, are reluctant to support that claim entirely. There have been rumors that research among the ruins of Ur and Chaldee has uncovered cuneiform disproof of it.

However, modesty does permit all secretaries to insist that American business and industry may claim they standardized chamber of commerce methods, uplifted business ethics and then developed a fine group of men interested in the common weal.

"Thank goodness, girl, you're back. Please answer that phone."

Ever varied inquiries

THE clerical force lifts the receiver:

"You want a list of hotels in Chicago?" And the cool, precise voice tempers the heat to the shorn inquirer. "We'll be glad to get it for you. Did you find the list from Buffalo attached to the last statement of your membership dues? Thank you, the check will be quite useful."

The typewriter opens up a momentary barrage and then stops. The clerical force catches my eye as I lean back with a sigh of relief and shout "Amen," and carefully collect the engineering data in one pile.

"May I go over your diary for the rest of the week?"

I nod in resignation.

"Meet with the town council again on sewage disposal problem. Explain to the Ministerial Alliance why the Chamber of Commerce favors bowling alleys. Address the Women's Beautification Committee on 'How

the Chamber of Commerce can help to improve our county roads.' Talk to the Home School League at Higgenstown on 'The value of public service.' Meet—"

I wave my hand in protest. It does no good.

The clerical force continues, "Meet with the executive committee and ar-



"No, Mr. Sands, we have nothing to your credit. You did not tell us you wished to drop your membership."

range collection of delinquent dues. The last bills netted only ten per cent."

The phone gives me a respite, and an insight into the ability of youth to meet emergencies.

"No, he is not in at present. You want him to appear before the County Commissioners and object on your behalf? But your town isn't on the membership list though we'd be glad to serve you if it was. Couldn't your town attorney do it? Oh! you would have to pay him a special fee. Well, I'll tell the Secretary."

Yes, the chamber of commerce is a marvelous institution. It has almost reached perfection in urban centers and industrial areas where affinity of purpose and a common goal furnished its foundation. Where the apostles of chamber-of-commerce stubbed their toe was in the rough going in rural sections where "Rugged Individualism" flourishes like an ailanthus tree. The idea was Utopian and the plan simple.

Cooperation is hard to get

"POOL your money and man-power and the country people will be on an equal footing with big business and industry."

It doesn't work except in a few instances. The answer is not hard to find....

"Good night. If that is the W.C.T.U. leader I am gone for the day." But it wasn't.

"No, Mr. Sands, we have nothing to your credit. No, you did not tell us you wished to withdraw your

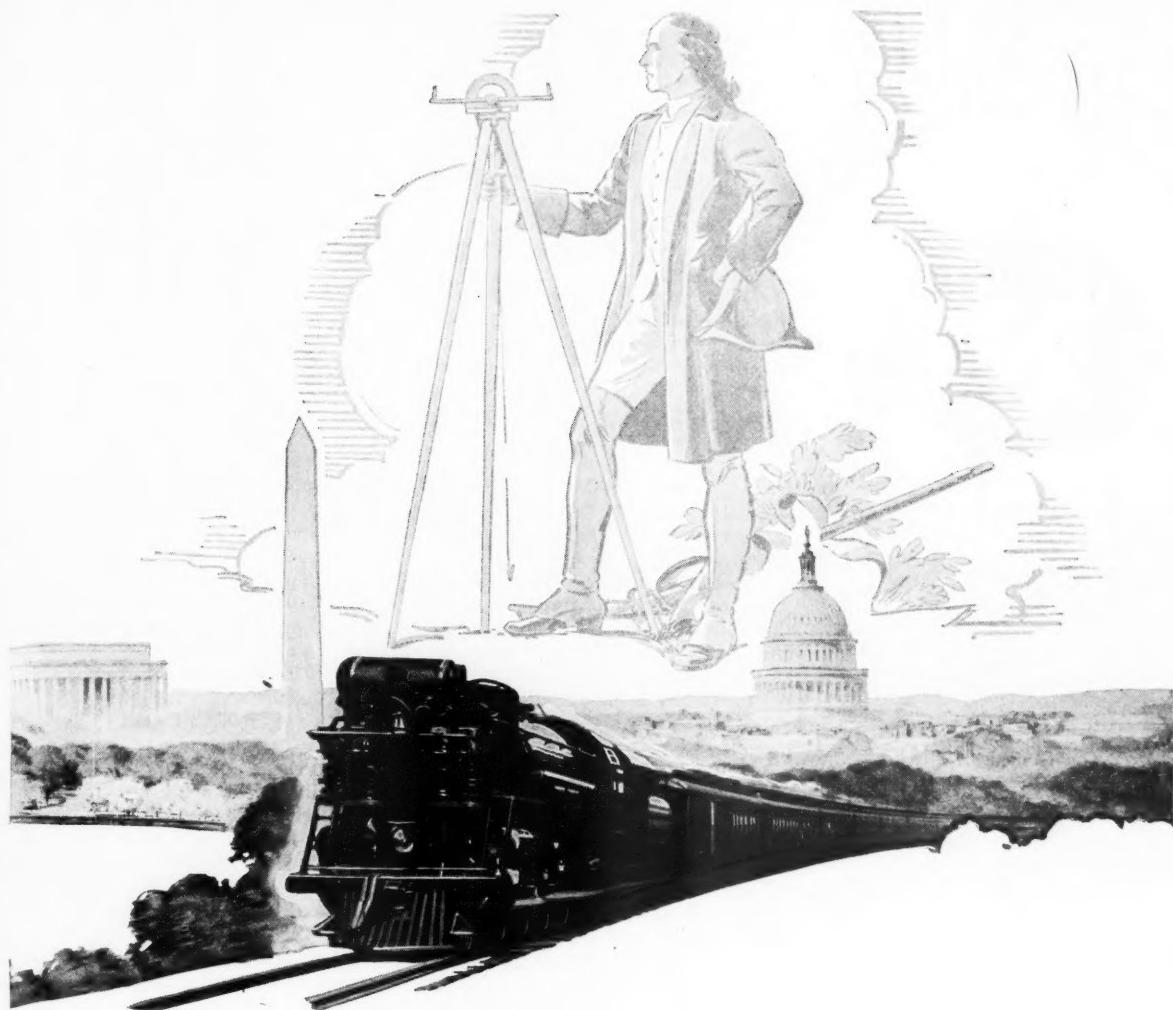
membership. If it is in arrears it will have to be paid up." I stretch my hand to take the phone but it's held away from me. "I'll tell the Secretary when he comes in but being a director in a bank which is a member doesn't entitle one to membership. I'm sorry you can't see any direct benefit from the Chamber of Commerce."

Most theories whose objective is the betterment of the race overlook the human equation and human variables. The chamber of commerce idea is almost in a class with the theories underlying prohibition, woman's suffrage, bounties on stray cats, disarmament, birth control, taxation on bachelors, and the Golden Rule. Most people are willing to accept direct benefits and pecuniary returns provided they do not have to change long-settled habits of thought and conduct—and spend money.

I think I ought to know. I have watched for ten years a painstaking effort to chamber of commerce the people of this area and the idea hasn't yet made a dent in their consciousness. They know it's an organization they can call upon when in a jam but they feel that it is also an institution like the church where they still may get salvation without paying for it.

Ours is a regional chamber of commerce. There was a need for it in this area. A small group of elderly men—mind you, not young ones—recognized this need and established a chamber of commerce. It caught the imagination of its entire membership, 60 per cent of whom were backsliders on dues within a year. A handful of loyal members whose interest in their community is not based on lip-service (and the secretary), have played wet nurse to the organization. We know what it takes and how long to bring such an apparently well born infant through the various growing pains affecting organizations that require complete cooperation.

About the time our regional organization arrived, the country at large was breaking out in a chamber of commerce rash. Something should have been done about this at once be-



George Washington, RAILROAD MAN

George Washington made great dreams become realities. But he never dreamed of a railroad. Yet he founded the beginnings of one of the greatest of all.

One hundred and fifty years ago, envisioning young America's need of better transportation between east and west, George Washington founded the James River Company, became its first president, laid out a route to connect the Atlantic Seaboard and the Mississippi Valley with a system of canals and roads.

Thirty years later, when Washington had passed on to the immortals, Chief Justice Marshall personally examined the project and pronounced it sound in its entirety. Canals and roads of the James River Company, under the genius of science and invention, have become the great Chesapeake and Ohio Railway system. But the fundamental principle of the project—George Washington's principle—remains the same. It is—

"Better Transportation between East and West."

George Washington's Railroad
C H E S A P E A K E and O H I O
Lines
 Original Predecessor Company Founded
 by George Washington in 1785

1785 — ONE HUNDRED AND FIFTIETH ANNIVERSARY — 1935



NOT just one model that must do the best it can to meet all conditions...

BUT a complete line of more than a dozen different models—Portable—Electric—Stationary—Watchmen's Clocks—each designed to serve a particular purpose...

AND among them there is one that will best meet your requirements.

Detex Watchmen's Clocks are approved by the Underwriters' Laboratories, Inc., and by Factory Mutuals Laboratory.

DETEX WATCHCLOCK CORPORATION

4153 Ravenswood Ave., Chicago, Ill. 29 Beach St., Boston
80 Varick St., N.Y. Room 800, 116 Marietta St., Atlanta

NB-3

DETEX

WATCHMEN'S CLOCKS

NEWMAN * ECO * ALERT * PATROL

cause the rash rapidly became an epidemic. It appeared in spots where it was least expected. One day you would pass through a quiet rural community basking in the somnolence of age-old satisfaction. On the return trip, the main street would be decorated with signs, "Have a Bigger and Better Clamville. Join the Chamber of Commerce." The air would be filled with oratory and the public mind would have forgotten its vine-shaded front porches and would be striving to pry loose a factory from the neighboring town. Towns which had always lived on the best of terms stopped trading with each other.

"Progress means success and smokestacks must bloom in Clamville."

They seldom bloomed. The membership dues dwindled. Fly-by-night promoters waxed rich and the mortality among rural chambers of commerce was high.

The reason for the failure is simple and it explains the difference between the vantage point held by business and industry, which places both several laps ahead of agriculture. It is the difference between willingness to spend money to make money and an unwillingness to pay your carfare if you can get a free ride.

Our organization has met every request for help with a willingness that would shock an established city chamber of commerce. Every town, village, and hamlet within the area discovered at almost the same moment that it had been waiting for several hundred years to get a road built, or a creek dredged, or a factory established, or land (when the tide was out) sold. They wanted all of

these things at once. They got many of them but only paid for a few. Without boom methods the income of the entire area was increased and during the first three years of the depression local business held its own, thanks to the chamber of commerce.

The people speak one language, English. They have one attitude, "Each one for himself and the devil take the hindmost." They have never considered that "Service" has a value which should be paid for and the knowledge will not be acquired in this generation as the young people are gradually drifting out.

A lot of education in business ethics is needed before the chamber of commerce as an institution can hope to thrive in the rural districts.

The locust choir has stopped its chant outside the office. The electric fan drones on. The telephone has been answered nine times in two hours and no two questions were alike. Only one of the inquirers was a member and only one said, "Thank you."

The clerical force has answered a summons of an automobile horn outside, "I'll be there in a minute," and to me, "Is there anything more?"

I shake my head. She slips the cover on the typewriter and opens the screen door. A question is slowly revolving in my mind!

"Oh, is there anything we need? You started to say something at lunch time."

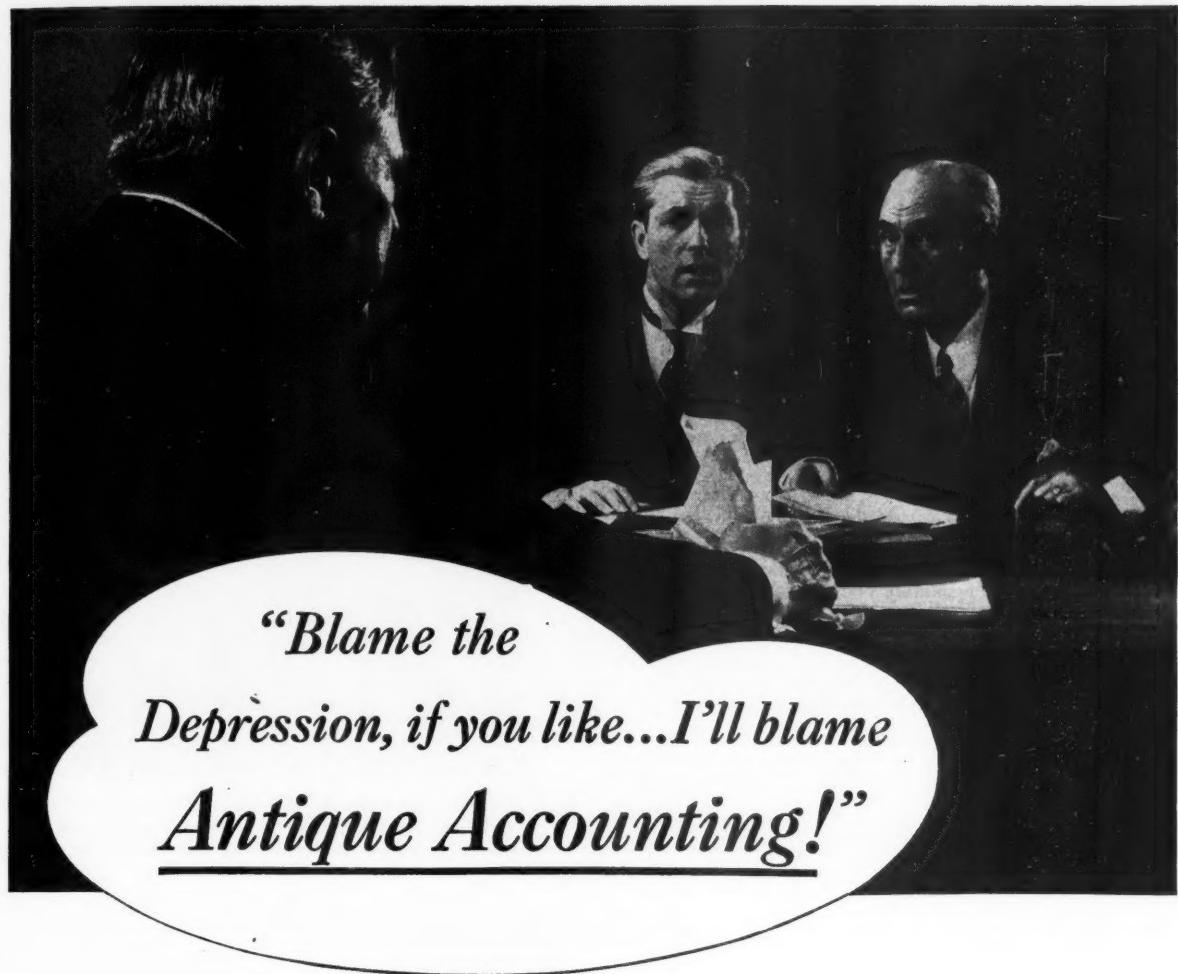
The blue eyes twinkle, the precise voice has a pronounced drawl and the clerical force answers:

"What this heah country needs is not a Chamber of Commerce secretary, but a Community Chambermaid."

The Spirit of Salesmanship



"This will shine up that badge of yours fine, Officer"



No doubt History will some day call it the Great Depression. But to many a far-seeing executive it will be the Great Alibi. For it is a fact that many things have been blamed on the Depression that were chargeable to other causes...to Antique Accounting, for example. You simply can't run a modern business on horse and buggy accounting methods.

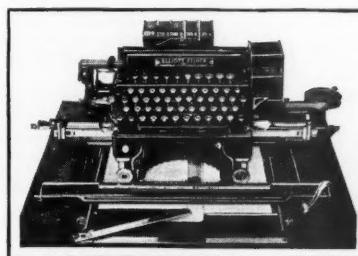
Underwood Elliott Fisher makes accounting machines. Not only makes the machines, but maintains a nation-wide organization to show Business

how to use them. Frankly, and without undue pride, we feel we are performing a vital service to American Industry.

We are demonstrating the fact that Underwood Elliott Fisher Machine Accounting is taking the old bugaboo out of daily balances...eliminating costly errors...getting statements into the mails on time...doing the routine jobs of accounting more efficiently and

economically and at the same time letting the executive know just where his business stands at all times.

That represents Underwood Elliott Fisher Machine Accounting in a nutshell. Yet we recognize it as our obligation to demonstrate these qualities to you. We will, too, if you will just mail the coupon...without obligation, of course.



Right: Elliott Fisher Model, Underwood Elliott Fisher Accounting Machine, one of three distinct types of accounting machines made by Underwood Elliott Fisher, all backed by company-owned nation-wide service facilities.

Mail coupon
no obligation

Accounting Machine Division
UNDERWOOD ELLIOTT FISHER COMPANY
Accounting Machines...Typewriters
Adding Machines
Carbon Paper, Ribbons and other Supplies
342 Madison Avenue, New York, N. Y.
Sales and Service Everywhere

Accounting Machine Division
Underwood Elliott Fisher Co.
342 Madison Ave., New York, N. Y.
Please tell me more about Underwood
Elliott Fisher Machine Accounting.

Name _____
Address _____

NB 3-85



UNDERWOOD ELLIOTT FISHER ACCOUNTING MACHINES

Underwood Elliott Fisher Speeds the World's Business

No Business Can Escape Change

Presenting a variety of products
which have lately made bows
in diverse business fields

A new market for clay products may result from recent tests showing that small, hard-burned clay rings make efficient filter-bed material for sewage plants. Layers of crushed quartzite are commonly used at present....

Greater safety is claimed for a new, non-freezing blasting material. Blasting caps, impact, flame, even a rifle bullet won't explode it; it requires a large-diameter dynamite cartridge....

Heat losses through fire-brick furnace walls are cut by a new, light-weight plastic insulating refractory which is applied to the hot face of the wall. It's said to save fuel by shortening preheating periods, to stand temperatures up to 2,500° F....

Attached to the door-bell circuit, a new, small, home fire detector contains a fuse which melts at 150° F., causing the bell to ring. Several can be attached to the same wiring....

Extra storage space is provided in the bathroom by a new lavatory unit which has a cabinet below the basin. Other features: a recessed base (to provide foot room), a towel bar alongside....

Tie-cords are eliminated in a new venetian blind which operates much like a window shade. A tug on a cord causes a roller to bring the blind up or down, another tug halts and holds it....

Feminine feet as well as heads are kept dry through a new umbrella. Its handle holds a pair of rubbers which stretch to fit any foot, and which roll up into a tiny wad....

A new handbag mirror never leaves its mistress at a loss for note space. Memoranda can be penciled on its back....

Leads dropped into the magazine (18 to a loading) of a new automatic pencil are fed down through the point, one after another as they're used, merely by pressing the pencil's top....

A rubber button concealed in the base of a new desk clock replaces the conventional winding knob. The button's attached to a small metal cable; a few pulls wind the clock....

Electric cable is quickly attached to house or pole by a new bracket, without threading the cable through the bracket's jaws or cutting it to length....

Unauthorized persons are kept from climbing transmission-line towers by a new steel guard which clamps to the structural shapes of the tower, bristles with sharp spikes....

A new electric heating unit keeps water in the cooling system of truck, auto or shop equipment warm while the engine's idle. It's built into a lower water connection for the system, links to a light socket by a detachable extension cord....

Comes a new jack to simplify the problem of jacking up the modern stream-lined auto. It picks the car up by front or rear bumper, eliminating stooping, crawling, other acrobatics....

Dangerous concentrations of carbon monoxide are signalled by a new device through ringing of a gong. It's for use in public garages, chemical plants, other danger spots....

Filling-station operators are offered a new gasoline hose which has a smooth composition cover, a lining of a special compound described as flexible, crack-proof. The hose is available in colors to match the color-scheme of the pump....

Rubber-like cements which provide elastic films described as oil-proof, unaffected by most ordinary solvents have been developed....



Nuts are spun down at high speed, tightened through a series of smart, torsional blows by a new 20-pound pneumatic wrench. Its unique turning action's said to loosen tightest nuts

Rubbery consistency, greater flexing life than rubber, resistance to various chemicals are said to characterize a new plastic material. It can be molded into any shape....

Designed for restoring worn cutting edges on tools of all kinds, a new arc-welding electrode is said to provide a deposit which is equivalent to high-speed tool steel....

A new tungsten-content, molybdenum-base cutting steel is said to have superior toughness and abrasion resistance, to work easier, machine more readily, require lower temperature for heat treating than previous high-speed steels....

Slide-type fasteners are now being made of pyroxylin plastic. They're lighter than metal ones, are available in colors to match or contrast with garments on which they're used....

Food packers are offered a new continuous-thread vacuum cap for glass containers which allows gases to escape automatically during processing, is easily removable by consumers....

A special type of transparent cellulose has been developed for wrapping butter. It's said to reduce shrinkage, to preserve flavor, freshness and color of the butter for longer periods....

Banks are offered a new thrif stimulant—a coin-controlled electric bank clock for distribution to depositors. Once a day it buzzes for a coin, keeps buzzing until the coin's dropped in....

Your carvings on your old school desk promise to be hidden from posterity through a new metal desk top. It slides on over the old wood top, has a sound-absorbent under-coating....

Snelled hooks are kept in order in the fisherman's tackle box by a new aluminum panel which carries 50 or more. Spring tension keeps the snells straight and kink-free....

—PAUL H. HAYWARD

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

To The 30,000 Business Men Who Will Buy Trucks This Month

*Look at Dodge Before You Buy Any Low-Priced
1935 Truck...We Believe It Has Features
That Represent Better Truck Building...Make
It a More Satisfactory Investment*

VIRTUALLY the same amount of money will now buy any one of the three lowest-priced trucks. But there is a tremendous difference in the way they are built. That is why we ask you, regardless of your previous experience or satisfaction with any make of truck, to look at the 1935 Dodge.

Open the door of the cab and you immediately find evidence of superior materials and real truck craftsmanship. Lift the hood and you discover additional evidence of features that mean better truck-building for longer life and greater satisfaction. You realize why this is true when you know that Dodge is the only one of the three lowest-priced trucks that is built in an exclusive truck plant by trained, experienced truck mechanics.

As an intelligent truck buyer—before you buy any truck—you will want to know about the amazing combination of high-priced features that have been included in this Dodge, now offered to you at America's lowest prices.

Dodge is the only low-priced truck that comes to you equipped with hydraulic brakes, a feature offered on practically all high-priced trucks—one that every engineer will tell you saves tires and brake linings, makes your truck safer, easier to drive, makes it possible to get more work done in a day.

Dodge is the only one of the three lowest-priced trucks that gives you a factory-installed oil filter—obviously at extra cost to Dodge—put on your truck to save oil and prolong engine life.

Dodge gives you 4 piston rings—the other two lowest-priced trucks give you only 3. Dodge gives you 4 main bearings—the other two lowest-priced trucks give you only 3.

Dodge pioneered such outstanding features as valve seat inserts and full-floating rear axle in the low-priced field.

Today's 1935 Dodge Truck is literally filled with these high-priced truck features—18 major features by actual count—that save money for you every mile your truck is driven.

It is because we know that these extra values are built into Dodge Trucks that we ask you now to go to your Dodge dealer and look at them. When you do, we think you will agree that it is these high-priced features that make Dodge longer-lived, more economical to operate, a better all-around investment. Remember, the 20 years' experience of Dodge in building almost three million fine, dependable vehicles is back of these trucks. See your Dodge dealer today and judge for yourself!

CHRYSLER MOTORS — DODGE DIVISION

Commercial Chassis, 111 1/4" w. b., \$365—1 1/2-Ton Chassis, 131" or 136" w. b., \$490. All prices f.o.b. factory, Detroit, subject to change without notice. Special equipment, including dual wheels on 1 1/2-ton models, extra. Time payments to fit your budget. Ask for the official Chrysler Motors Commercial Credit Plan.

Dependable **DODGE TRUCKS**

New Ideas in Selling

Being a few notes on some of the current developments in the field of selling

Pigs to market. Among the many fields in which centralization or decentralization is a lively current issue is that of live-stock marketing. Parties at interest are some two million live-stock producers, terminal live-stock marketing agencies, scores of meat packing plants and many other allied lines.

Centralization of this business of handling live stock began shortly after the Civil War, concentrating itself at converging rail lines in the large cities. Here great public stockyards were built and here commission firms came into existence to handle the sale of live stock for the absentee producers. For many years these terminal markets have formed the channel through which the bulk of live stock flows to packing houses.

Since the World War, however, a trend toward decentralization has been in progress through what is known as direct marketing. More and more, live stock producers, particularly hog producers, have been selling direct to buyers without using the services of the public stockyards. Good roads, truck transportation which brought markets within a few hours of the farmer's front gate, radio which brought daily live-stock quotations into his kitchen, differences in freight rates on live hogs and fresh meats—all have contributed to the new trend.

The apparent elimination of certain public market charges, other savings and lessened risk of loss from shrinkage and crippled animals in selling to a nearby market, together with an increased facility for hitting market bulges are cited as further factors in the resurgence of direct marketing.

But while these factors are argued as both cause and justification of direct marketing, other pertinent arguments are at hand for retention of the terminal market system. Aside from the concern of terminal-market interests to protect investments in yards and other facilities, there are producers who feel that their own bargaining position is weakened by the scattering of competition among buyers, that they themselves ultimately stand the cost of duplication of marketing facilities, that the old system provides an essential basis for price setting which, if destroyed, would put producers pretty much at the mercy of packers.

Cattle and sheep producers particularly are friendly to the terminal markets since the latter supply certain services essential to the handling of cattle and sheep which direct marketing does not. They see themselves faced with a serious problem if direct marketing of hogs continues to grow, since few terminal markets can be sustained on the sheep and cattle business alone. These and other reasons have led terminal-market proponents to oppose direct marketing through "sign-up" campaigns to pledge producers not to sell direct, through legislative proposals such as the Capper, Hope and Wearin bills and by other means.

That the terminal markets still have a grip on the situation is indicated in a recent Department of Agriculture report on direct marketing which shows them handling 56 per cent of the hogs, 83 per cent of the cattle and 79 per cent of the sheep slaughtered under federal inspection in 1933. But the slipperiness of that grip is indicated by further figures which show that in 1923 they handled 76 per cent of the hogs, 90 per cent of the cattle and 85 per cent of the sheep.

Sells Job Tips. Last spring a cement salesman convinced a young concrete contractor in a Texas city that he could get plenty of jobs if he hunted for them.

Not being old enough in the business

three to five weeks are required for best results, in rooms where temperature is kept at from 32 to 36 degrees. Loins taking the five weeks' cure in these aging rooms are generally of the prime heavy class of championship stock, and such steaks often bring from \$1 to \$2 at clubs and fine restaurants.

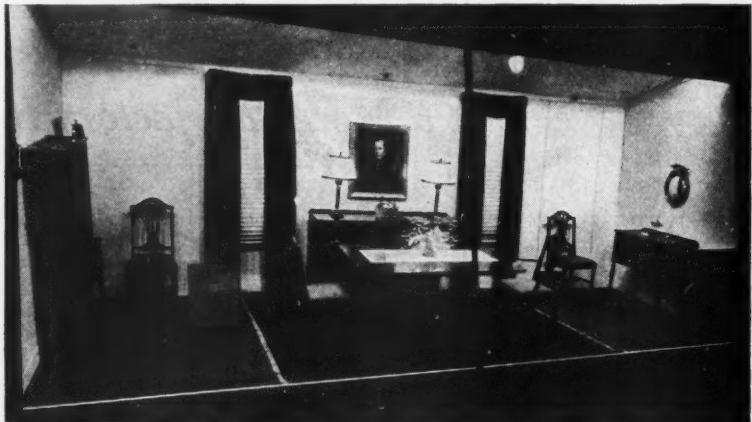
Recently an Indiana hotel manager who served such meats complained to the Chicago processor who supplied them: "We could make just the right profit on this meat if we didn't have to pay for the hook hole."

This hook hole, through which the hotel man's profit was leaking, results from the practice of hanging loins by hooks. Consequent bruising around the hole often spoils two large steaks.

The processor decided to remove the cause of his customer's complaint. First he redesigned his plant, installing wooden racks to hold the loins. That didn't work. Thickness of the racks prevented proper air circulation. He tried plated steel racks. They turned the trick.

He abandoned his old plant, built a new one with tripled capacity and no hooks save for baby stock where the weight was insufficient to cause bruising. Now he's offering prime heavy loins which are good to the last slice.

A principle of prosperity. Braving all current popular connotations of the



Lit Brothers stopped Philadelphians recently with a window showing a dining room which tilted toward observers at an angle of 45 degrees. Invisible wires prevented a grand scramble of furniture, fixtures, and china

to know that it couldn't be done, the young contractor started ringing doorbells in search of home repair jobs which would require concrete. He also advertised for salesmen to sell concrete repair work on commission. His first two salesmen during their first afternoon uncovered nine prospects and closed jobs with four of them. Within six weeks the contractor had completed small repair jobs requiring 1,500 sacks of cement.

When canvassing, the contractor's salesmen uncovered many plumbing, electrical and other jobs not in the concrete line. So the contractor organized the Affiliated Maintenance Corporation, charging contractors in these other lines \$15 a month for job tips. He has several subscribers and keeps them busy.

Two steaks to profit. Meat aging has long been part of the process of preparing choice meats for table. The art has seen steady improvement. From

phrase, an eastern electric power company is delving into the matter of washing dirty linen in thorough-going fashion.

It has just issued a 396-page illustrated handbook, titled "Laundries," to certain of its employees. The book's designed "to help those who use it to understand the laundry-owner's problem, and thus to be able to work more effectively with him by outlining in a concise story the latest ideas in the laundry sales and operating fields."

The service the company is thus tendering its laundry-owner customers in connection with their sales and operating problems is said to be unique in the utility field. The purpose, in the company's words, is "to increase the profits of the 311 laundries in our territory, because the prosperity of this or any other company depends upon the prosperity of its customers."

—PAUL H. HAYWARD



SPEAKING OF THE EXCITING SPORT with which his name has so long been associated, Ray Stevens says: "When the last heat has been run, it's mighty comforting to light up a Camel. That 'let-down' feeling fades away. I enjoy the pleasure of smoking to the full, knowing that Camels never bother my nerves!" (Signed) RAYMOND F. STEVENS, North American Bob-Sled Champion

"I'M A CAMEL SMOKER. Camels restore my 'pep' when I've used up my energy. They taste so good, too. There's nothing like a Camel!" (Signed) JACK SHEA, Olympic Champion Speed Skater

"AS A MASTER BUILDER, I have learned that any real work that requires 'push' calls for Camels. They give me new energy when I'm feeling tired and listless." (Signed) FRAZIER PETERS



COLLEGE GIRL: "When tired, a Camel makes you feel refreshed." (Signed) MARGUERITE OSMUN

LISTEN IN.

You'll like the Camel Caravan starring Walter O'Keefe, Annette Hanshaw, Glen Gray's Casa Loma Orchestra over coast-to-coast WABC-Columbia Network.

TUESDAY { 10:00 p.m. E.S.T.
9:00 p.m. C.S.T.
8:00 p.m. M.S.T.
7:00 p.m. P.S.T.

THURSDAY { 9:00 p.m. E.S.T.
8:00 p.m. C.S.T.
9:30 p.m. M.S.T.
8:30 p.m. P.S.T.

MORE EXPENSIVE TOBACCOES IN CAMELS..



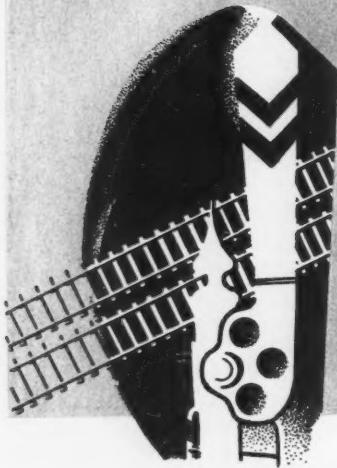
"Camels are made from finer, MORE EXPENSIVE TOBACCOES—Turkish and Domestic—than any other popular brand."

(Signed)
R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, North Carolina

Copyright, 1955
R. J. Reynolds Tobacco Company
Winston-Salem, N.C.

Camel's Costlier Tobaccos never get on your Nerves!

JUST WHAT SHOULD THE railroads HAUL?



Goods, of course. More and more goods if they are to enjoy prosperity.

But, in 1930 (the last nearly-average year of freight car loadings) almost three-fifths of all the ton-miles of freight car movement was represented by the weight of the cars themselves.

That is the great railroad operating problem: too much dead weight to be started and stopped and hauled around the country.

An average freight car, if built of Aluminum, would show at least a 20% increase in revenue-producing freight. A single hopper-car constructed of Aluminum will show increased revenues, and operating economies, which will net 10% a year on the additional investment in Aluminum.

Consider any one of these figures in the light of the fact that there are something like 2,000,000 freight cars in operation, and the fundamental importance of weight reduction in rail-

road operation becomes obvious. Economies of this magnitude are of national significance.

As railroad men have come to grips with this problem of dead weight, they have found Aluminum Company of America prepared to help them to an intelligent solution.

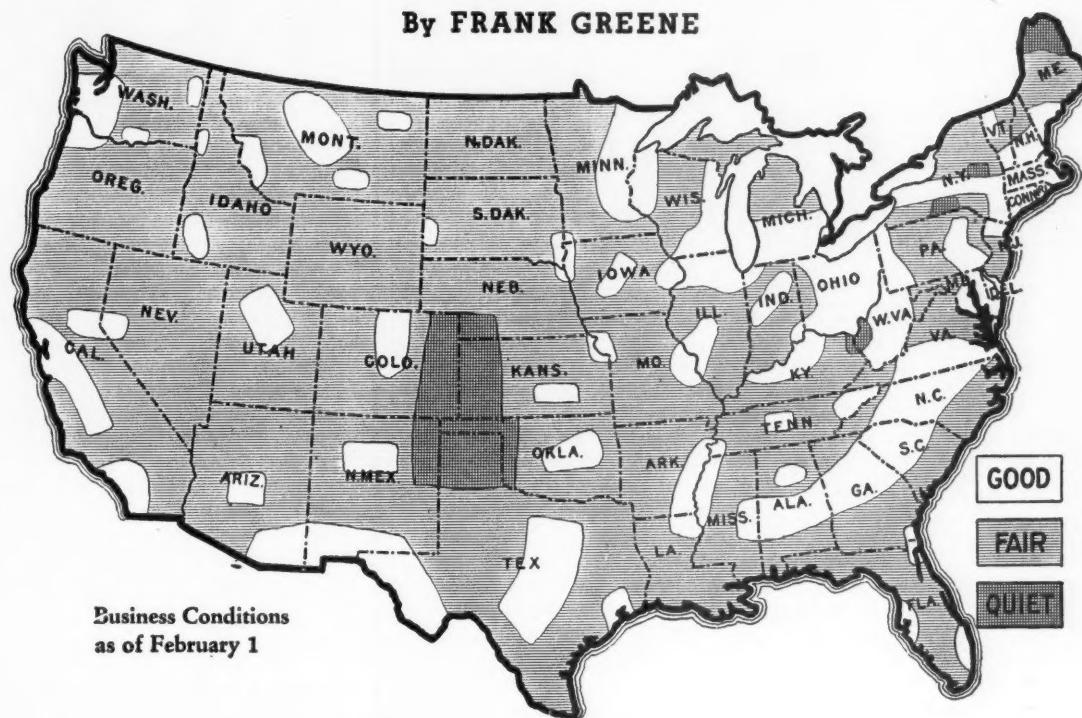
Strong alloys are ready, and wide experience in fabrication, too, that is at the command of any railroad, any car-builder, or any other fabricator for the railroads. Processes have been developed for forming special shapes which in turn make possible great advances in rolling stock design.

We believe that these forward-looking preparations are part of our obligation to American industry.

The law of gravitation cannot be voided, but with Aluminum, its cost in railroading can be minimized. This is one way the railroads can move forward via fundamentals. ALUMINUM COMPANY OF AMERICA, PITTSBURGH.

The Map of the Nation's Business

By FRANK GREENE



JANUARY saw a lull in wholesale and retail trade but manufacture and industry showed more than seasonal activity. Snow covered areas where moisture was lacking.

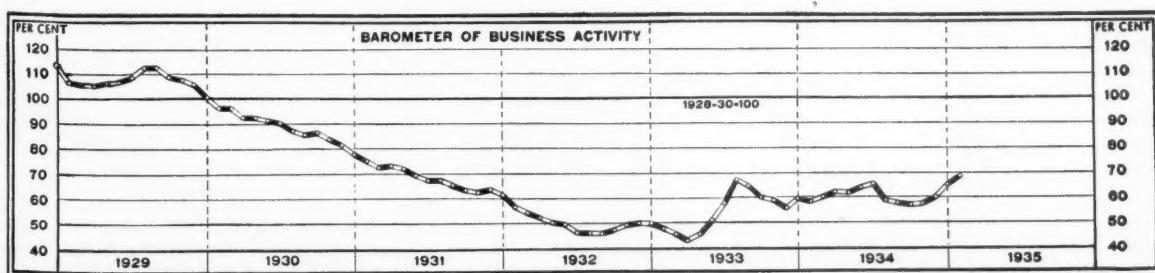
Contra-seasonal gains included particularly iron, steel, automobiles, farm implements, electrical equipment, glass, rubber goods, most textiles, furniture and shoes. Electric power continued its steady rise. Coal output equalled 1931. Lumber output lessened but shipments increased. Carloadings dropped slightly and bank clearings were larger. The Dun & Bradstreet Weekly Food Index in January was at its highest since November, 1930. Failures continue fewer than a year ago.

Gross railway earnings gained five per cent over 1933 but net earnings fell three per cent although 40 per cent above 1932. Retail trade in 1934 gained 15 to 20 per cent over 1933 in value. Stocks ebbed in strength and activity; bonds were active and higher. Leading cereal prices were the lowest for three months. Cattle and hog prices in late January were nearly double a year ago.

The February Map shows a little more cheerfulness, especially in industrial sections



The map of
last month



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

With its rise in January, the Barometer passed the June, 1934, and July, 1933, high points and slightly exceeds the July, 1931, average



YOU WHO OWN LIFE INSURANCE WILL BE INTERESTED IN THESE FACTS

IT IS important that everyone know the principle of legal reserve life insurance. It requires that a life insurance company shall maintain, perpetually, margins of safety which will at all times enable it to meet all obligations whenever they fall due.

The Lincoln National Life through sound insurance management has persistently held to this principle. Safety and sound insurance protection is the result to policy owners.

Even through the five depression years, 1930-1934 inclusive, progress has been made. During this five-year period, the Company increased its insurance in force to a total of \$867,487,000; paid policy owners and beneficiaries \$71,415,000; added \$19,700,000 to the reserve to be paid policy owners in the future; and increased its assets \$46,830,000. Surplus to protect policy owners increased to \$6,828,000.

During 1934, the Lincoln National's new business increased 43.6%—a gain four times greater than the average of all life insurance companies.

STATEMENT OF CONDITION, DEC. 31, 1934

ASSETS		LIABILITIES	
Cash and Marketable Securities	\$ 19,702,658.49	Policy Reserves	\$104,618,567.37
First Mortgage Loans	37,136,030.39	Additional Policy Owners' Funds	446,811.94
Properties appraised at \$99,078,000.		Premiums and Interest Prepaid	1,176,378.94
Loans to Policy Owners	24,290,398.91	Special Reserves—	
Trusted Assets	14,321,685.42	For Death Claims Not Yet Completed or Reported	\$1,248,722.00
Balance Due on Properties Sold Under Contract	1,083,904.33	For Taxes Payable in 1935	725,460.00
Real Estate	10,631,404.20	For Commissions, Medical Fees and Other Bills Not Yet Presented	755,746.00
Interest Due and Accrued	1,934,831.10	For Losses on Real Estate and Mortgages	227,169.00
Net Premiums in Course of Collection	3,394,825.77	Total Special Reserves	2,958,106.00
Home Office Property	2,370,759.70	Total Liabilities on Account of Policy Owners	109,199,864.25
All Other Assets	1,153,230.85	Capital Stock	\$2,500,000.00
Net Admitted Assets	\$116,028,710.16	Unassigned Surplus	3,500,000.00
		Special Surplus for Contingencies	828,845.91
		Surplus to Protect Policy Owners	6,828,845.91
		To Balance Assets	\$116,028,710.16

Proud of its record, The Lincoln National Life sends to policy owners a complete booklet describing the 1934 business of the Company in detail. You may have a copy on request. Also a booklet scheduling the securities owned. Send in the coupon.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
FORT WAYNE, INDIANA

THE LINCOLN NATIONAL LIFE INSURANCE CO., Fort Wayne, Indiana
Please send me copy of your detailed annual report.

* Name _____
Street _____
City and State _____ N3

Higher Taxes for Chain Stores

TO THE growing volume of official pronouncements regarding chain stores, two additions have recently been made. Speaking through Justice Cardozo, the United States Supreme Court has upheld the chain store license tax of West Virginia. Almost concurrently, the Federal Trade Commission has reported that "competition between chains, especially in the grocery field, supplemented by competition from independent stores would seem to negative monopoly by any individual chain."

The Commission adds that "there seems even less basis for considering cooperative chain store systems as monopolies or combinations in restraint of trade under the Sherman Law."

The West Virginia law to which chain stores took exception imposed a \$2 license on one store, \$5 for each additional store up to five and so on until each store in excess of 75 must pay \$250.

One chain was hit hard

THE Standard Oil Company of New Jersey had 949 filling stations in West Virginia and these were declared to be chain stores. In 1933 the tax brought in \$570,000 of which the Oil Company paid \$240,000.

In upholding the state courts' ruling that the law is valid, the Supreme Court has gone but little farther than in its earlier decision on the Indiana Chain Store tax, but the philosophy of taxation written into the decision by Justice Cardozo deserves the attention of every business man; not merely of the chain store proprietor who sees his business threatened but of the individual shopkeeper who hopes some day to open another store.

Some sentences from the Cardozo decision are worth quoting:

A chain, as we have seen, is a distinctive business species, with its own capacities and functions. Broadly speaking, its opportunities and powers become greater with the number of the component links; and the greater they become, the more far-reaching are the consequences, both social and economic. For that reason the state may tax the large chains more heavily than the small ones, and upon a graduated basis, as indeed we have already held. . . . Not only may it do this, but it may make the tax so heavy as to discourage multiplication of the units to an extent believed to be inordinate, and by the incidence of the burden develop other forms of industry. . . . A motive to build up through legislation the quality of men may be as creditable in the thought of some as a motive to magnify the quantity of trade. Courts do not choose between such values in adjusting legislative powers.



Aladdin *doesn't live here any more . . .*

HE DEPARTED this earth centuries ago. But in his heyday, he was a big shot.

He had but to rub his lamp and his wishes were fulfilled. Jewels, gold, palaces. But what could his gold buy him? And who, today, would live in one of his palaces? No plumbing . . . no refrigerator . . . no heating plant . . . no electricity . . . no cars in his garage . . . no garage. When Aladdin traveled, he got a lift on a camel and went bouncing over the landscape at a fast walk.

We have none of Aladdin's sort of magic today, but there is something akin to magic that puts within reach of any average family in America, modern comforts that would have seemed like miraculous treasures to Aladdin and his people.

Time payment financing has literally transformed our pattern of life within the last twenty-five years. It has broadened markets for manufacturers . . . increased production . . . encouraged invention . . . lowered costs and selling prices . . . created work for millions . . . put money in circulation. It has enabled thousands upon thousands of families to enjoy automobiles, radios, automatic refrigerators, gas and oil burning heating plants, and numerous

other modern devices for the promotion of health, comfort and happiness.

* * *

The magic that creates prosperity through millions of retail transactions, can work its wonders for industry also on a mammoth scale and in a vitally important way.

In thousands of mills, factories, mines and power plants, the mechanical equipment for producing materials and goods is worn out or outmoded by new inventions and improvements . . . is idle, or is being operated at a cost that eats up profit. Department of Commerce figures show that billions of dollars worth of industrial equipment is in this deplorable condition.

Many companies lack capital to make needed replacements. Others are reluctant to weaken their current financial position. Yet if all would act this year to modernize

their equipment, the mass expenditure would total billions of dollars . . . create work for millions of skilled and unskilled labor . . . and speedily put the country on a sound industrial footing.

Commercial Credit Company is ready to do its part in helping to finance needed purchases of capital goods, and solicits inquiries from every industry interested in this phase of Commercial Credit service.

* * *

How Commercial Credit Company Serves Buyer and Seller

Commercial Credit Company purchases current open account receivable, notes, and instalment lien obligations from responsible Manufacturers, Distributors and Dealers. Financing plans are provided to cover the time payment sale of automobiles, refrigerators, oil burners, machinery and equipment, air conditioning units, heating plants, store and office fixtures, boats and a score of other such broad classifications, including hundreds of individual products. The service is national in scope, yet completely local through one hundred and forty-two offices located in the principal cities of the United States and Canada.

COMMERCIAL CREDIT COMPANY

COMMERCIAL BANKERS

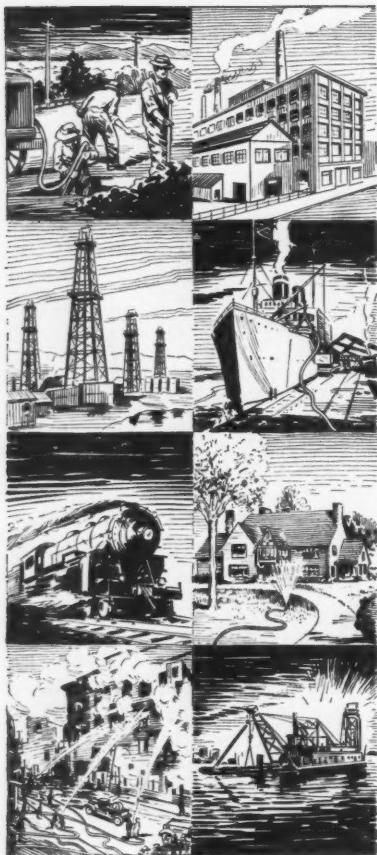
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Wherever You Are • Whatever You Make, Sell or Buy • Use Commercial Credit Service



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Distributors of Republic Mechanical Rubber Products are located in all important centers and carry ample stocks to serve you promptly.



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YOUNGSTOWN, OHIO**

Leadership
IN POLICY, PRODUCT AND PERFORMANCE
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Kennedy, Who Guards the Investor

(Continued from page 17)
was a member of the Commission until he became a Supreme Court Justice in New York. Popular opinion pinned a liberal label on each of them. Because Kennedy can find his way through Wall Street without a guide he was classified as a conservative and doubts were expressed as to the wisdom of his appointment. President Roosevelt put an end to the doubting:

"It seems to me," said he, "that if we are going to supervise the financial district it would be a good idea to have some one who knows what to supervise."

It seemed apparent to the questioner that the Commission will do what is in its power to encourage the issuance of desirable securities. More money is needed in business and as rapidly as possible. This fact will not lead the Commission to look with unwise lenience on undesirable issues. It is probable that one result of the transfer of the functions of administration from the Federal Trade Commission to the SEC will be the elimination of many of the hindrances involved in the Act.

It is a fact that the members of the Commission are working together in harmony. There are differences of opinion, as is natural, but corridor rumor is that but few decisions have been reached on a split vote. In view of the diverse experience of the members this may be regarded as extremely important. Under both the Securities Act and the Securities Exchange Act the general powers of the SEC are of five kinds. It has authority to investigate violations both of the regulatory and antifraud provisions, to issue stop orders when violations are detected, to obtain injunctive relief against violations, to interpret accounting and trade terms, and to devise rules and regulations for the governing of registration statements and prospectuses. It assuredly has great power to protect investors against fraudulent offerings, especially in interstate transactions. The precise nature of the authority available in intrastate affairs may not as yet be clear.

Swindlers have been caught

IT SEEMS to the questioner, however, that the Commission will be able to get along very nicely with what authority it has. At one time, thanks to its regional representatives and

cooperation with state or local authorities, the operations of a national mob of racketeers were traced. They had offices in seven cities in as many states and were prepared to close up these offices overnight to get away with the swag. The seven offices in the seven cities were snapped shut by the SEC and local authorities. For excellent reasons, nothing has been told of this incident in the newspapers, but it seems apparent that the Commission had all the authority it needed to stop the swindlers. It may be expected that the technique will be improved later.

It does not seem probable that the Commission can do much—or will want to do much—to protect those who like to take a chance with a business risk which is emphatically risky. No conservative administrator would have encouraged James Couzens to back Henry Ford some years ago. Alexander Graham Bell's early operations were regarded as so speculative that his backers were considered silly. What the Commission can and will do is to insist on a full disclosure of fact in the registration statement and the prospectus to follow. No member of the Commission has any thought of mothering grown-up business men who like to take fliers. Their duty seems to end when they compel the disclosure of every pertinent fact. They may not believe that Signor Whoosis has invented a Death Ray which will put the world's navies out of business. But if the Signor is fully candid in his expositions the Commission will hardly take the responsibility for smothering the new idea. He might be able to make good.

Statements may be changed

IT MAY be that the Commission's powers to exempt securities from the operations of the Act are not sufficiently broad, on the theory that more progress will be made through that competence in administration which can only be gained through experience than through continuous meddling with the law. It seems probable that the Commission's powers to adapt administrative procedure to the needs of the situation are broader than have as yet been recognized. It is now clear, for instance, that various forms of registration statements can be worked out to fit various types of business enterprises. The first of these, recently issued, is already in use. It is possible that Con-

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The International Electric Accounting Machine AUTOMATICALLY provides complete printed reports from punched tabulating cards.

IN modern industry, in business and in everyday life, we look to and depend upon automatic devices . . . to inform us of important facts . . . to save us time, money and effort.

International Electric Accounting and Tabulating Machines apply the efficiency of the automatic principle to accounting and statistical work.

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eering, purchasing, production and sales. Automatically, they furnish special reports and statistical records which offer the busy executive a means of constant control.

The machines and methods of IBM are serving business and government in seventy-nine different countries. In addition to Accounting and Tabulating Machines, they include International Time Recorders and Electric Time Systems, International Industrial Scales, Electromatic (All-Electric) Typewriters and IBM Proof Machines for banks.

When you think of Improved Business Methods, think of IBM. Write for new descriptive booklet today.

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BRANCH OFFICES IN ALL PRINCIPAL CITIES OF THE WORLD

ALL OVER . . . the Country They're Talking about NU-WOOD

THE PRE-DECORATED MULTIPLE-PURPOSE INTERIOR FINISH

There's something different in wall and ceiling coverings—a material that does four jobs for the price of one. It's called Nu-Wood, and all over the country it is creating interiors of outstanding beauty and usefulness . . . quickly and at amazingly low cost.

Nu-Wood decorates—insulates—hushes noise—and corrects faulty acoustics—all in a single application. It glows with soft, harmonious colors. It has unique texture. Because it comes in a variety of forms, you can have individual pattern combinations. Nu-Wood is permanent, requiring only occasional cleaning.

Nu-Wood is easily applied, both in existing buildings and in new construction (where it takes the place of lath and plaster). Mail the coupon for the book "Pacemaking in Decoration."

- Wherever heat, cold, or humidity are problems—in buildings themselves, in shipping, packing, or in manufacture, Balsam-Woolhasan answer. Tell us your story—let us tell you ours without obligation.

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St. Paul, Minnesota

I want to know more about Nu-Wood. Please send me, without obligation, your book "Pacemaking in Decoration."

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gress will be asked to substitute a general statement of guidance for the specifications of Schedule A.

The law provides that reception of an application by the Commission shall not be taken as an endorsement of the truth of the claims made therein. All the Commission can do is to catch in registration statements the more palpable misstatements or omissions. Once the facts are disclosed the investor must use his own judgment. It is apparent that the Commission is now examining the position which must be taken with reference to frankly speculative issues, such as mining or oil stocks. For the most part the promoter can only say that he has a location and plenty of hope.

It is evidently against the public interest that mineral or oil exploration be checked, even if the chances of success in a given issue are slim.

There is no reason to anticipate a conflict between the Commission and the investment bankers, 3,000 of whom are now operating under an NRA code. Under the code the investment bankers may cut off at the source the issuance of undesirable securities. That does not mean, however, that so-called investment bankers who are outside the pale may not continue. The Act with the Commission, and the investment bankers with the NRA code, may prove to complement each other. It is significant that practical men who were unwilling to visit Washington not long ago, in view of the inhospitable reception given them at the time of the formulation of the Act and its subsequent amendment, are now in frequent consultation with the Commission. Their apparent viewpoint is that it is best to support the theory of the Act and hope that, through good administration, many of its weaknesses may be overcome.

The Commission has made such changes in the form of the registration statements required that the applicants will be relieved of the necessity of procuring data that is overly expensive to get and in some cases is impossible to supply and of little or no value to the prospective purchaser.

It has also insisted that in the future prospectuses shall be concise and shall convey information in simple and understandable language.

Cost is being decreased

THE cost of preparation for registration is being lessened through administrative action by simplifying the requirements on data. A new and special registration form has recently been issued for use by old established companies.

It was developed with the advice

and help of the country's leading accountants. It sacrifices no information that an investor would want to have, but it is designed to fit in more easily with established corporation accounting procedure. In this way it simplifies the accounting and auditing work involved in registration. On showing that a company cannot produce the information called for or can only produce it at an extravagant cost, the Commission can, under this new form, modify its requirements if it is satisfied that the prospective investor's interests are not affected detrimentally.

It may be presumed that the Commission will further adapt its registration statements to various types of businesses and limit the demands for information of small value.

Changes have bettered the Act

PROBITY and skill in management cannot always be accurately measured, even by recent history, and an injury may be done a property overnight by unpredictable changes in conditions. This leads to one of the great points in the debate with respect to civil and criminal liabilities.

Practical men fear that, due to causes which could not be foreseen or controlled, they might be subjected to injurious litigation. This fear has been somewhat lessened by recent changes in the Act. It is regarded as probable that the work of the Securities and Exchange Commission has now progressed to a point where it will soon be possible to adopt a series of basic rules with the policy of leaving their interpretation for exposition when actual cases arise. The definition of trade and accounting terms is important and it is probable that specialists have been detailed to the work of making such definitions.

Finally, there is reason to believe that the Commission will work in close harmony with the leaders of American business. A vast body of information has already been collected by various private and semipublic agencies upon the different ways unwaried investors may be protected.

The Commission is now assembling this for its guidance. Above all, it is important to remember that a work of such magnitude cannot be put in running order overnight. It may be that an advisory council may ultimately be established for purposes of consultation, although this is a guess without tangible support.

It is based entirely on the Commission's amply demonstrated desire to know what business men think is wrong with the Act and with Commission rulings, and willingness to sponsor such changes as have been shown to be advisable.

INTERNATIONAL TRUCKS

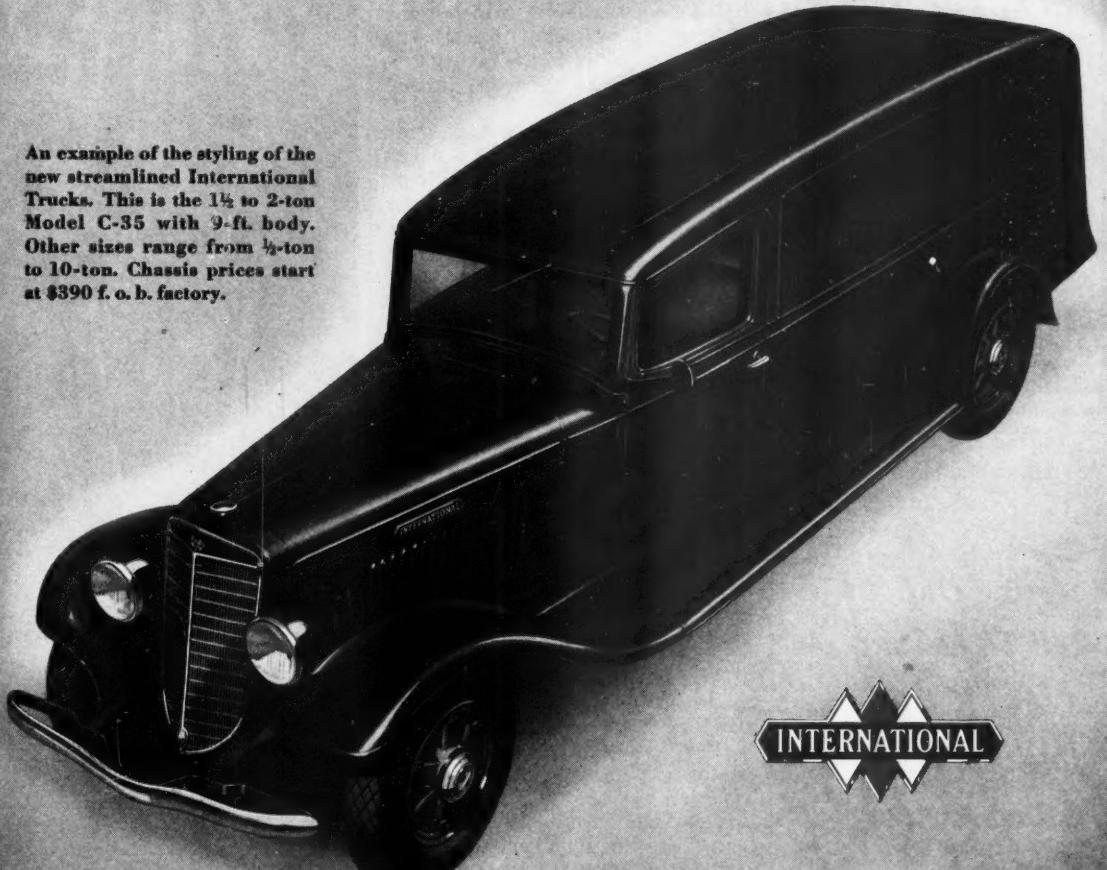
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International Harvester now offers by all odds the best value in this popular field, considering beauty of design, high standards of quality throughout, and operating economy. A 78.5 h. p. engine and sturdy ALL-TRUCK construction in a truck of ultra-modern style. Inquire of one of our 215 Company-

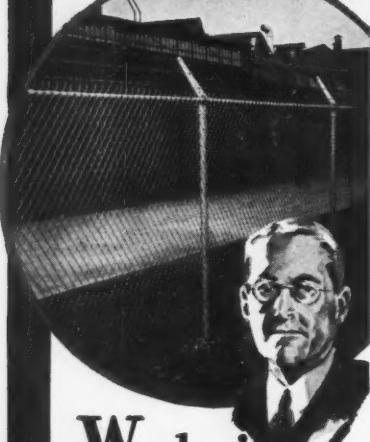
owned branches or of any International Truck dealer. See the new Model C-30 and others of the new streamlined Internationals now on display everywhere. Better still, try one out on your own job.

**INTERNATIONAL HARVESTER COMPANY
OF AMERICA, INC.
606 South Michigan Avenue, Chicago, Ill.**

An example of the styling of the new streamlined International Trucks. This is the 1½ to 2-ton Model C-35 with 9-ft. body. Other sizes range from ½-ton to 10-ton. Chassis prices start at \$390 f. o. b. factory.



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.. but if it comes

"there's a good, stout Page Fence around the place that will stop them long enough for better judgment to get in its work. It's been there a long time, too. Just as good today as it ever was. It pays to get PAGE FENCE." There are 82 Page Fence Service Plants. Write one of the District Offices below for name of Service Plant nearest you. No obligation.

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C The cost of advertising in
**NATION'S
BUSINESS** is
surprisingly
low!

You Can't Disinherit Uncle Sam

(Continued from page 36) mitted to give away, either outright or in trust, a substantial portion of his property when he knew that death was imminent, without some provision for bringing that gift within the purview of the Act, the states would be deprived of a large portion of their tax revenue. Accordingly, many states included in their tax legislation the provision that all transfers made within two years before death should be conclusively presumed to have been made in contemplation of death, and should be taxable. The question immediately arose whether the state had the authority to decide that time only was the controlling factor regardless of the fact that contemplation of death did not enter into the situation at all.

Death may not be anticipated

THE courts held that a conclusive presumption is unconstitutional. Thus, at present the general rule is that, in cases where a transfer was made within two years of death, the burden of proof is on the taxpayer to show that it was not made in contemplation of death.

In case a transfer was made more than two years before death the burden of proof lies with the state to show that the amount of the transfer should become part of the taxable estate.

A man who has tuberculosis in an advanced stage and whom physicians have given but a few months to live may be fairly said to have an apprehension of death near at hand which might be a controlling influence in causing him to give away a substantial portion of his property. On the other hand, a young man in perfect health who has just created a voluntary trust for the benefit of his family might be killed in a railway accident. Is there any basis for assuming that, at the time the trust was created, this young man had any apprehension of sudden and accidental death?

The enactment of the federal gift tax Act in June, 1932, became almost a necessity if the Government were to receive substantial taxes from the estates of decedents. It did not take legal and tax experts long after the 1926 revenue bill became law to discover ways to circumvent the effects of the legislation for the benefit of their wealthy clients. By 1932 it was pretty common knowledge among people who are supposed to know about such things—and there were decisions of the Supreme Court and

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MODELS

SPEEDSTER
100 MILES PER HOUR
CERTIFIED
Typifying Auburn's Exclusiveness, Distinction and Elegance.
Auburn Automobile Co., Auburn, Ind.

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AUBURN

the Board of Tax Appeals to sustain them—that, by creating an irrevocable trust, not in contemplation of death, and with no income reservation, or even a trust revocable with the consent of beneficiaries with a substantial adverse interest in the trust, the estate was entirely exempt from the federal estate tax to the extent of the property in the trust. As a consequence, hundreds of millions of dollars were placed in irrevocable trusts with banks and trust companies throughout the country.

As a matter of fact, such a procedure was entirely within the law. A man has the right, even the duty, to provide for his dependents. If he chooses to do so through the medium of an irrevocable trust, safe even against himself, who shall say that he does wrong if he also saves his heirs the estate tax? No less august a body than the Supreme Court of the United States has said, in the tax case of Bullen vs. Wisconsin: "When the law draws a line, a case is on one side or the other, and if on the safe side is none the worse legally that a party has availed himself to the full of what the law permits."

Gift taxes cut down trusts

HOWEVER, the saving formerly possible in federal estate and state inheritance and estate taxes through the creation of irrevocable trusts has now been greatly curtailed by the tax on gifts and the defining of an irrevocable trust as a gift. At the present time a revocable trust is subject to federal estate taxes at the death of the decedent, and an irrevocable trust is subject to an immediate gift tax. In either event, the Government collects.

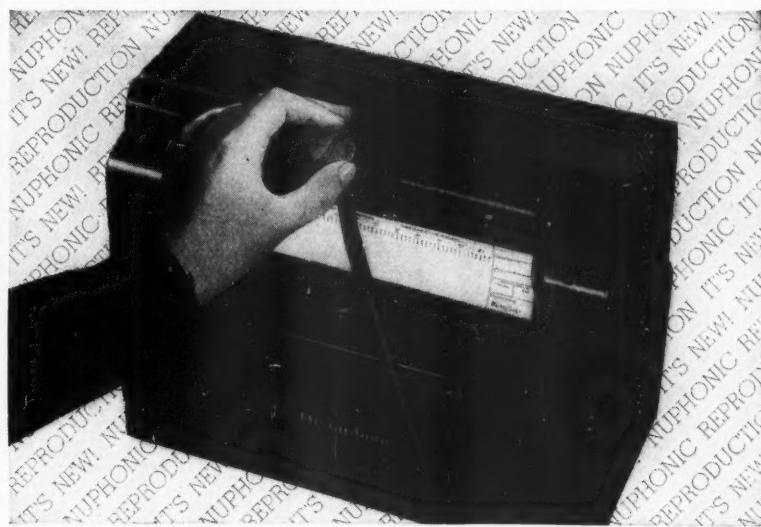
To be sure, it is still cheaper from a tax standpoint to make a gift of a portion of one's property during one's lifetime, since the gift tax rate is about three-fourths of the estate tax rate.

To offset this apparent advantage, however, there is the necessity of paying the gift tax shortly after the gift is made, whereas the estate tax is something for one's heirs to worry about.

Effective January 1, 1935, the Revenue Act provides for an increase in gift tax rates (on gifts exceeding \$100,000) running as high as 49 per cent. The maximum rate was 33½ per cent; the new maximum is 45 per cent.

That the present trend of increased taxation is toward a heavier levy on decedents' estates as compared with taxes on incomes and gifts is readily apparent.

On a net income of \$10,000 the tax under the 1926 Act was \$165. Under



When she hears your voice at its best!

When your secretary hears this new* transcribing instrument—when, at a touch of the hand, she brings your voice in at the exact pitch which is easiest for her to understand—she'll need no selling talk to convince her that she is listening to a quality of reproduction never before attained in recorded dictation.

The soft smoothness with which your voice comes to her will be a revelation in clarity of recording.

Nuphonic* Reproduction is truly the most outstanding development in 26 years of Dictaphone sound engineering.

If you want a photographic preview of this remarkable instrument with its other† interesting features, send for the Nuphonic Progress Portfolio. If you have the Dictaphone on your desk, lift the speaking tube and ask your secretary to send for this portfolio. If not, make a pencil note (bothersome, isn't it?) to have her send for one.

*Nuphonic Reproduction—a new Dictaphone development—gives a new standard of voice clarity such as secretaries have never before experienced.

†Three of many—new Tone Control; new Volume Control; new Hand Back Spacer.

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Monroe Velvet Touch is a feature of the entire expanded Monroe line. The ease, the speed, the simplicity that made the Monroe Adding-Calculator famous have now been applied to Bookkeeping and Adding-Listing Machines.

What's more, Monroe has injected a completely new idea into bookkeeping ma-

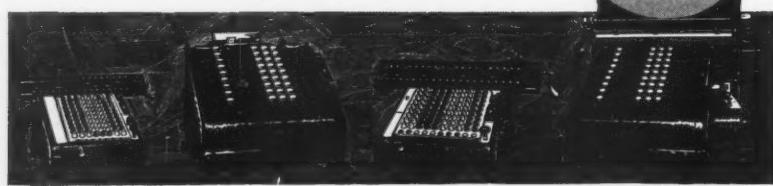
chines by developing a line of bookkeeping and posting machines small enough for desk work, and light enough to carry from job to job. It's such a new idea that to really appreciate it, you should see one of these new Monroe machines at work.

Just phone the nearest Monroe branch, ask to see a New Monroe at work on your own figures. It entails no obligation. Or write to the factory.

Monroe Calculating Machine Co., Inc., Orange, New Jersey.

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NATION WIDE
FIGURE SERVICE
OPERATES THROUGH
150 FACTORY-
OWNED
BRANCHES

MONROE



the 1934 Act it is \$415, an increase of 151 per cent.

On a net income of \$20,000 the tax under the 1926 Act was \$850. Under the 1934 Act it is \$1,589, an increase of 86 per cent.

On a net income of \$50,000 the tax under the 1926 Act was \$5,135. Under the 1934 Act it is \$8,869, an increase of 72 per cent.

On a taxable gift of \$70,000 the gift tax was \$2,125. Since December 31 it has been \$2,175—an increase of \$50 or 2.35 per cent.

On a taxable gift of \$100,000 the gift tax was \$3,625. Since December 31 it has been \$4,200—an increase of \$575 or 15.86 per cent.

On a taxable gift of \$200,000 the gift tax was \$10,125. Since December 31 it has been \$13,200—an increase of \$3,075 or 30.37 per cent.

On a decedent's estate of \$120,000 the 1926 tax was \$40 and the present tax is \$2,740. This is an increase over the 1926 tax of \$2,700 or 6,850 per cent.

On an estate of \$150,000 the 1926 tax was \$100 and the present tax is \$5,200. This is an increase over the 1926 tax of \$5,100 or 5,100 per cent.

On an estate of \$250,000 the 1926 tax was \$600, and the present tax is \$15,200. This is an increase over the 1926 tax of \$14,600 or 2,433 per cent.

Death taxes are easier to collect

PERHAPS in the present scheme of things it is logical that death taxes should be higher than any other form in proportion to the value of the property taxed. Our system of taxation is admittedly based on the theory of raising the greatest possible amount of revenue with the smallest possible amount of discomfort to the voting public.

Every increase in income taxes, in sales taxes, in personal property and real estate taxes touches directly the welfare of millions of voters. Estate and inheritance taxes affect but comparatively few. Moreover, legacies and bequests come to the recipients in the nature of a windfall, an emolument without a corresponding expenditure of effort, just so much "velvet." The beneficiaries are not disposed to quarrel unduly with the Government over its share.

It is entirely probable that the present Congress will increase estate taxes even more. If the Government continues to spend vast sums of money, no relief from heavy taxation is in sight. Spokesmen for the Administration have repeatedly asserted their intention to redistribute the wealth of the country. Both economically and sociologically further increases in death taxes are indicated.

REO GUARANTEES TRUCK PERFORMANCE

IT IS a startling and unprecedented thing for a truck manufacturer to guarantee the performance of his product.

Since the origin of the industry it has been traditional among buyers to assume that there was no fixed measure of results—that some trucks might do the job claimed for them and others might fall far short of the glamorous preview.

Reo takes pleasure in wrecking this tradition.

We know so well that Reo trucks are built to last longer and perform better than the average, that we now GUARANTEE the performance of any Reo truck selected by the Reo Truck Performance Gage method and operated under the Reo Ability Rating System.

The Performance Gage is a simple slide rule by which factory-schooled Reo salesmen determine what power, axle ratio and tire sizes are required for any given operation. On this slide rule analysis they base their recommendation as to the type of truck to put in service.

On the Reo thus selected you will find an ABILITY RATING plate. On this plate you read exactly what may be expected of the

truck in terms of maximum gross load capacity, percent of grade it will climb in high gear, and the safe loaded speed on level highways.

Reo GUARANTEES that any Reo truck so chosen will make good on every point on the rating plate!

What this means in arranging schedules, cutting costs and improving service is too apparent to require elaboration.

It is scarcely conceivable that any operator will continue listening to idle claims and optimistic guesswork about trucks when he can have Reo's ASSURANCE OF SATISFACTION IN ADVANCE OF THE PURCHASE.

Blindfolded buying is ended! Truck selection and operation are at last put on a SOUND and SCIENTIFIC basis!

Write Reo or see your Reo dealer for full details of this history-making guarantee!

Reo Speedwagons and Trucks range from $\frac{1}{2}$ to 4-6 tons. New low prices—\$495 and up. 32 wheelbases, all with famous Reo-built Truck Engines—Hydraulic Brakes. Tractor-Trailer units and buses with correct load distribution and maximum pay load capacity. All prices chassis f. o. b. Lansing, plus tax.



See the brilliant new streamlined Reo Speedwagons. Lowest prices, greatest values in Reo history. Ask your dealer or write Reo for the "Extra Value Disc". Free! Shows you at a glance how much more truck you get for your money when you buy a Reo.

REO MOTOR CAR COMPANY
LANSING, MICHIGAN

Why

Cyclone Swing Gates don't drag or bind

This Cyclone-designed gate with ball and socket hinge is operated easily and is drag-proof

Few people ever seem curious about the hinges on a gate—until strain and constant use cause them to weaken and drag in the process of opening and closing. On drive and roadway gates, ordinary designs often fail after a few weeks or months of service.

To stop this dragging and teetering of drive gates and to insure ease of operation, Cyclone imbeds a sturdy ball and socket pivot hinge into the concrete at the base of the gatepost itself. Built of heavy malleable iron, its exceptionally large bearing surface cannot slip, twist or turn. Because the pivot rests directly in its socket, it carries most of the weight of the gate, which therefore cannot drag. The many advantages of this type hinge are easily recognized by engineers. This is but one of the many construction features that make Cyclone fence and gates the outstanding fence investment. Whether your requirements are large or small, Cyclone can fill them quickly.

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Before you decide on any fence, study the new free Cyclone book on "Fence—How to Choose It—How to Use It." Full of interesting facts and illustrations. The exclusive Cyclone "Choose Your Own" charts will help you to select wisely and economically—enable you to determine fence values for yourself. Just mail the coupon.

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Address.....
City..... State.....
... I am interested in fencing Residence
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 Playground property
Approximate footage to be fenced..... ft.

Behind the San Francisco Strike

(Continued from page 27)
to show the precision with which some force behind the scene directed the economic disorder from the time the water front workers rejected the agreement reached at the mayor's office to the hour when the same high command made its fatal blunder.

That was when it decreed that food trucks might enter the city to bring supplies to the strikers and their families but not to other citizens!

Citizens who until that time thought of the strike only as a quarrel between employers and workers suddenly realized that it was more than that. It was a war between classes. It smacked of Soviet Russia.

Overnight public opinion crystal-

lized. A Committee of Five Hundred took form, charged by the mayor with opening up the arteries of industry and commerce. Motorcycle police squads escorted trucks loaded with food into the city to food depots. Gasoline was placed under an Oil Control Board for distribution. San Francisco prepared for war.

Quick to sense the Zero hour, A. F. of L. labor leaders who had opposed the general strike from the start, persuaded their followers to call it off. Union after union voted to go back to work. In the end, even the longshoremen returned to work, empowering an arbitration board to pass upon their demands.

When the general strike faded,

Combating Subversive Activities

CONSTANT propaganda and renewed activity by subversive groups in the United States during recent years have led the United States Chamber of Commerce to investigate the purposes and methods of those who hope violently to overthrow the present social and economic order.

A booklet setting forth the facts regarding the character and objectives of subversive movements and recommending measures to combat them has been sent to Chamber members, and the subject will be considered at the organization's next annual meeting in May. The recommendations are:

THAT a sedition law be enacted, prohibiting advocacy of violent overthrow of the Federal Government or of all forms of law, or advocacy of injury to federal officers because of their official character.

THAT use of the mails be denied to matter which advocates, or which is published or distributed by an organization which advocates, subversive doctrines.

THAT the admission of an immigrant into the United States be conditioned upon (1) a treaty obligation on the part of the country of his origin to take him back at any time if ordered deported from the United States, or (2) an individual certificate to the same effect issued by a responsible official of the country of origin.

THAT the naturalization laws be amended to declare specifically that no person who believes in or is a member of an organization advocating violent overthrow of the Federal Government shall be naturalized.

THAT federal legislation be enacted prohibiting attempts to incite disaffection or insubordination among the armed forces of the United States.

THAT a special agency within the Department of Justice be created to investigate subversive activities, with particular attention to the Communist Party and its members and its and their domestic and foreign relationships.

A free copy of this booklet may be had by addressing the Secretary, U. S. Chamber of Commerce.

most San Franciscans heaved sighs of relief, feeling that they had been through an adventure that comes but once in a lifetime.

But industry leaders and veteran labor chieftains, too, thought otherwise. They sensed new conditions.

Since 1921, the San Francisco area has enjoyed exceptional industrial peace. The Industrial Association was organized to ferret out causes of industrial difficulties and negotiate peaceful settlements before they break out into strikes. The Association has settled more than a hundred controversies.

Why did this strike break out?

WHY, with its impressive record, did the Industrial Association fail to head off this catastrophe?

The inside story of the cause of the strike is an eye-opener to any community. Those who handled this strike are not partial to any one community. What they did to San Francisco, they may repeat in some other city next time.

Back of this strike were squads of shock troops of Communism, trained by the Communist Party in the art of fomenting organized disorder. Under direction of Communist headquarters they bore into labor unions, steer them into strikes, and "break" a case of industrial strife whenever the situation is ripe.

The water front strike was planned months in advance and engineered from Communist headquarters in New York, working with leaders of the Western Division, which heads up in San Francisco.

The Communist Party directed the boring from within by which the radical "rank-and-file" group seized control of the San Francisco local of the longshoremen's union. The membership drive enabled them to pack the local with "rank-and-file" radicals from the outside. A rank-and-file worker is one who, by reason of his political and economic outlook, has received Communist approval.

Radicals bored into other unions at the same time they were seizing the longshoremen's local. As union after union was stampeded into the strike, a general strike committee of five assumed direction of the disorder. This quintet seized control of the strike from the established labor leaders, issued the permits for trucks to move, assigned the pickets and directed the riots.

Long before the strike broke, the radicals organized a vertical union known as the Marine Workers' Industrial Union. This union was used to foment industrial unrest. It was particularly adapted to that end, because its membership embraced many



Could you Leave as Clean a Slate as this Lad?

This is the true story of a young man who had no more idea of dying than you have. But if he were to die, he didn't wish his family to be burdened with his last expenses.

He knew that his father, a Nebraska clergyman, would soon be retired on a small pension, and that there was no other income except his own salary as a drug clerk—little enough to provide for emergencies.

His death, only 4 years later, was a tragic blow to his parents—but at least his foresight had led him to protect them financially. Young as he was, he had insured his life in the Northwestern Mutual. His last expenses were not a drain on the family's slender resources.

Writing us, recently, his father said:
"We hope that all young people will carry insurance. If they don't need it, it will help

others. Thanks for your company's prompt settlement."

How many other men could leave as clean a slate as this youngster of 26? Whether you are young or old—single or married—you need a special life insurance policy for this one purpose of meeting your last obligations. If you are single, such debts shouldn't be saddled on somebody else. Or if you are married, your family will need every bit of your other insurance, and perhaps more, for actual living expenses.

You need "CLEAN SLATE" INSURANCE, regardless of your age, or how much other life insurance you own. Place it with the Northwestern Mutual—the 78-year-old company which is one of the largest and strongest in America. Mail us the coupon below for the booklet—"THESE THINGS NEED NEVER BE A WORRY."



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Without obligation, please
send me your booklet, "THESE
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RELIEVE ACID INDIGESTION WITHOUT HARSH, RAW ALKALIES!



Millions Have Found Faster, Surer Relief In New-Type Mint

HARTBURN is distressing. But there's no longer any need to resort to harsh alkalies in order to relieve a sour stomach, gas or after-eating distress.

Strong, water-soluble alkalies taken in excess may change the stomach juices completely—slowing up digestion instead of helping it.

The new, advanced, most effective and safe relief for acid stomach is TUMS. TUMS contain no soda or any other water-soluble alkali—instead this candy-like mint contains an unusual antacid soluble only in the presence of acid. When the excess acid in the stomach is neutralized, the remainder passes on undissolved and inert. No danger of alkalosis or kidney poisoning from TUMS.

Try TUMS—3 or 4 after meals, when distressed. Eat them just like candy. You'll be grateful for the wonderful relief. 10c a roll at all drug stores. 3-roll carrier package, only 25c.



Your COPY of the Nation's Business INDEX for 1934

will be sent promptly upon receipt of your request. It will help to make your 1934 NATION'S BUSINESS volume an accurate and ready reference file of opinions and events that made 1934 an epochal year in business history. Write:

NATION'S BUSINESS
Washington • D. C.

industries, and the employers had no counter organization broad enough to deal with it.

The campaign was not limited to water front activities in California, nor even to the cities. As the crops ripened, squads of men concentrated in the harvest areas. At the height of the picking season a squad of 40 men in old cars drew up by a big peach orchard.

"Are you on strike?" they shouted to the pickers.

"No, we are not on strike," replied one of the men in the group of 30 or so men, women and children working in the orchard. In the *mélée* that followed, the men of the group were badly beaten, the women and children cowed.

Rank and file sought disorder

THIS strategy, directed by trained leaders in organized disorder, was repeatedly used, disrupted harvesting in the lettuce fields of Imperial Valley, the pea fields of the coast region, the berry and fruit districts of Los Angeles, Santa Clara and Sacramento counties.

These disorders belong in the same category as those in San Francisco's strikes, because the same evidence of behind-the-scenes direction exists.

Even after authorized union leaders had reached agreements with employers, the rank-and-file wing remained dissatisfied. Their goal was organized disorder out of which they hoped to seize the reins of power over industry and the community. Many times in the tense moments of the San Francisco strike radical labor leaders harangued the membership to convince them that the time had come to set up a worker's government.

If there were doubts in the average San Franciscan's mind as to the rôle played by The Monkey Wrench Boys in fomenting the general strike, there was none in the minds of the Communists themselves. Speaking of "The San Francisco General Strike and Its Lessons," the *Communist International*, organ of the International Communist Executive Committee, published in Moscow, says:

The strike from the first was under the leadership of the militant rank and file of the A. F. of L. Union, the International Longshoremen's Association, and was called in spite of every effort of the district and national officials to prevent it.

The secret of the success of the general strike movement in San Francisco lies in the success of the leadership of the [Communist] party in the strike of the longshoremen and in the ability of the party to defeat the moves which the top leaders of the A. F. of L. made to prevent the outbreak of the general strike.

Our persistence within the A. F. of L.

Union resulted in the establishment of a rank and file strike committee which took the strike out of the hands of the top leaders of the A. F. of L.

Thus we say that the concentration and the winning of leadership in one strategic point such as the longshoremen's strike can indeed become the starting point for such a sweeping movement as the general strike in San Francisco was.

If San Francisco industrial leaders think they learned about general strikes from the costly catastrophe which paralyzed the city last summer, the radicals believe they likewise learned lessons which will enable them to make the next one, wherever it is called, a humdinger.

During the San Francisco strike, *The Western Worker*, official organ of the Communist Party for the western district, was made the official organ of labor by the Strike Committee. A syllabus for organized disorder called "Measures to Win General Strike" was issued from this office to all members of the Communist Party on December 20.

In this 13 point program, workers were instructed to see that only rank-and-file union members were permitted on strike committees, that only those who will vote "YES" on striking be on these committees, that there be organized a legal committee, a permit department and a food division, that newspapers and newsboys be kept off the streets, that the radio, telephone and telegraph facilities be shut down, that only the labor press be permitted to publish, that leaders move only with body guards, that no union settle its differences until all unions are dealt with jointly, that all decisions of the strike committee be reached in secret session, held each time in different rooms, "where there are no dictaphones. Remember that the enemies have brains," warns the manifesto. "Don't underestimate them or they will outsmart us."

"The enemy" is industry, which feeds us all.

Industrial leaders in San Francisco believe they have learned some valuable lessons from study of the water front and general strikes.

The first is that the tactics of the radicals are no longer to be ignored. The battalions of organized disorder may be small in numbers, but they are potent, and amply financed. There are 60,000 dues-paying members of the Communist Party in California alone, 1,756,000 in the United States. This doesn't mean radicals who vote the Communist ticket at elections, but bona-fide members of the party who pay weekly dues ranging from ten cents to one dollar, depending upon individual earning capacity. Dues are collected through the medium of Communist stamps, issued by New York

headquarters and sold to locals at discounts sufficient to line the local war chests. In addition, New York headquarters sends out money needed for unusual expenses in fomenting disorder.

Another lesson is that industry must be prepared to cope not only with the recognized leaders of legitimate unions, but likewise with the rank-and-file wing that wants complete labor control of industry.

A third is that the situation calls for an organization of action to deal with this new form of cancer.

The police are unable to head off the monkey wrench boys because it is not against the law to believe in the Communist political and economic faith. There is no breach of law until disorder has broken out.

Patriotic societies may try to defeat radicalism, but they are either ineffective or must resort to lawlessness themselves. During the general strike self-appointed bands of patriots wrecked Communist meeting houses all over the city. Within a month every one was reopened.

Industry must have united front

WHO, then, can beat the monkey wrench boys at their game?

In San Francisco, industry and business leaders point unanimously to the Industrial Association. It is an organization serving both industrial and professional interests. Individuals as well as industries belong to it. It represents employers in negotiating with organized labor, but in numerous occasions it has brought pressure to bear on employers to gain for labor what the workers themselves could not gain. San Franciscans believe the Industrial Association is one organization capable of guarding industry against new uprisings inspired by the Communists.

Why did the Industrial Association fail last summer?

A fair question, and not an easy one to answer. The reason is two-fold. In the first place, the Association, speaking only for San Francisco industry, lacked the authority to deal with an industrial controversy that was coast-wide. The strike involved every port on the Pacific. To combat Communism's nation-wide rank-and-file movement in the labor organizations calls for a league of industrial associations. Industry's front must be as long as that of labor. In the second place, since San Francisco had been a citadel of organized labor for decades, industry never suspected, until it happened, that the A. F. of L. locals could be stampeded out of control of their veteran leaders. Industry knows now that it can be done. It cost about \$90,000,000 to find that out.

● Erie trains out-sped the blasts of winter,
to pour coal into hungry furnace mouths.

A pleasant Fall and piecemeal buying left
many a coal bin bare to winter's threat.
The urge of quick turnover dwindled
dealers' stocks. But winter pays no heed
to man-made plans—and gives no quarter.
With stinging winds he rushes in, relentless.
A jangle of phones, a flood of orders, a
scurry and scramble for coal—coal—quick!

With anthracite to Eastern points and soft
coal to the West, Erie trains race breast to
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Whether it's coal, food, steel or products
of any sort, Erie never turns a cold
shoulder to your burning need of speed.

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THREE'S a difference between dependence and independence, between being self-reliant and being forced to lean on others. Bridging this great difference at small cost is a job life insurance does well. Let us tell you how.



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Stand as Sentinels
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The odds are definitely against a watchman—he stands single handed against vandals, thieves and trespassers who seldom attack in less than pairs.

A sturdy Stewart Non-Climbable Chain Link Wire Fence stands as a sentinel of protection 24 hours a day—and presents a menace to malicious trespassers by preventing "hasty escapes".

Some very important exclusive structural features are built into Stewart Fences. Your local Stewart representative will gladly explain them—write for his address—no obligation.

THE STEWART IRON
WORKS COMPANY, Inc.

104 Stewart Block
CINCINNATI, OHIO



The Fight on Price Fixing Goes On

(Continued from page 32)
ties of NRA as producing the evils of monopoly.

Dexter M. Keezer summarized the Consumers' Advisory Board view:

The large volume of evidence which has come to the attention of the Board in the performance of its advisory duties has been almost universally unfavorable to the price fixing provisions in the codes.

Corwin D. Edwards, technical director of the Consumers' Advisory Board staff, declared:

Business men have attempted by the use of code provisions to establish prices so high as to be obviously unfair to consumers. In some cases they have succeeded.

John A. Goode, chairman of the National Retail Drug Trade Code Authority, who stated he represented the interest of the small business man, defended the loss-limitation clause of the retail drug code and urged its continuance. This provision, which prohibits "sales below the average cost of the average dealer," in his opinion has been "highly beneficial" and has saved "millions of dollars to consumers."

Goldthwaite Dorr, president of the Cotton Textile Institute, New York, who spoke on the relation of productive capacity to demand, believes that "We are not yet out of the depression." He added:

Some semimonopolistic industries may be able to take care of themselves without code provisions, but the highly competitive industries cannot do so. As a result of a return to cut-throat competition it is true we might get somewhat lower prices. Such profit as has begun to appear can be destroyed. The old process of eating into capital can be resumed. But in most industries prices cannot be lowered materially without drastic cuts in wages. What good can such a course accomplish?

Against price cutting

HENRY STUDE, chairman of the National Bakers' Council, Chicago, asked that the NRA continue the baking code's provisions against price cutting and give better enforcement. He denied they signified price fixing, but said they were essential in an industry which had a small unit cost. Bread lends itself easily to loss leader sales, he said.

S. L. Willson, of the Paper & Pulp Industry Code Authority, and president of the American Paper & Pulp Association, New York City, testified that the code's open-price filing plan has been satisfactory in 20 out of its 24 divisions. It was abandoned in the other four divisions because of their peculiar nature.

Price filing provisions should be permissive in industries which desire to retain cost recovery features, said A. L. Viles, chairman of the Code Authority for the rubber manufacturing industry. Provisions on pricing in the rubber codes have not been conducive to collusion or price fixing.

He concluded by stressing the point that many industries have never acted to include pricing provisions in their codes. "There is ample evidence," he argued, "that pricing provisions do not tend to raise prices."

Russell E. Watson, of Johnson & Johnson, textile products manufacturers, called provisions for setting minimum prices, forbidding sales below cost and regulation discounts "generally undesirable because they are unenforceable, regardless of their social desirability."

Paul Stinson, general counsel for the Katz Drug Co., Kansas City, Mo., attacked particularly the price provisions in the retail drug and tobacco codes.

He declared that the manufacturers' dozen lot provision in the drug code and the cigar merchandising plan in the tobacco code bring about "destructive price fixing by the manufacturers."

He lauded the policy of many so-called cut-rate drug establishments which lighten the family budget more than charitable organizations have been able to do. He denied the practice constituted destructive price cutting and insisted that the practice was possible through elimination of charge accounts, doing away with deliveries and "being content with a small margin of profit."

Under questioning, he said his firm was not protesting against code prohibitions of loss leaders, but that it strongly opposed code provisions which enable the manufacturers to dictate the resale price to distributors.

A. W. Leslie, chairman of the Paper Distributing Trade Code Authority, declared that after a year's experience with this form of price control "gratifying results" have been obtained.

Frank Katvin, chairman of the National Auto Dealers' Code Revision Committee, charged that, under the used-car trade-in provision of the motor vehicle retailing trade code, dealers were paying too high a price for cars traded-in on new machines.

He said that the book value of trade-ins has come to be the price paid for all types of cars, within certain classes, regardless of their con-

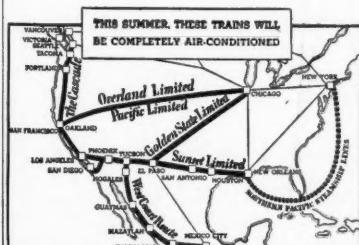
WESTERN TRAVEL NEWS

Summer heat abolished

In the West, where all things are bigger than anywhere else, Southern Pacific is the biggest railroad. Big, too, was the job of air-conditioning the five finest trains on Southern Pacific's Four Great Routes to California. Six **Sunset Limiteds** are required to maintain daily service east and west between New Orleans and Los Angeles, six **Overland Limiteds** and six **Pacific Limiteds** between Chicago and San Francisco, six **Golden State Limiteds** between Chicago and Los Angeles, four **Cascades** between Portland and San Francisco—a total of twenty-eight trains!

By this summer, the job will be finished. Every day, completely air-conditioned **Sunset Limiteds**, **Overland Limiteds**, **Pacific Limiteds**, **Golden State Limiteds** and **Cascades** will speed east and west, north and south on Southern Pacific's Four Great Routes.

Air-conditioned, too, will be all Pullmans, diners and observation cars on El Costeño, principal West Coast Route train from Tucson and Nogales to Mexico City. Many a local train in California will carry air-conditioned cars.



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dition. This may not have been the intent of the Code Authority, he said, but actual practice has brought this result.

He also charged there has been no "real enforcement" and that there can be no public sentiment behind "this type of price fixing."

In reply to questions, Katvin said there can be no general formula or device developed to govern used-car trade-ins.

"There is no way to solve the used-car problem."

E. W. Palmer, chairman of the Coordinating Committee of the Graphic Arts Code, of New York City, looked on price fixing as "unsound" and recommended, instead, a "development of cost consciousness within the industry" plus a definite curb against selling below cost.

Filing prices is not fixing

A. D. WHITESIDE, member of the National Industrial Recovery Board, said that he believed "permitting the open filing of prices is not a price fixing provision, whereas minimum wage and maximum hour provisions are directly price fixing agreements."

The provision in some codes prohibiting sales below the cost of the individual seller is the ideal means of regulating price fluctuations, Walter Mitchell, Jr., secretary of the Furniture Code Authority, testified. He said:

The Furniture Code Authority favors any code provision which will truly prevent wild gyrations in price. I am here to present opposition to price fixing, and a defense of individual cost protection.

Mount Taylor, executive chairman of the Ice Code Authority, said open price filing has succeeded in his industry.

Conditions in the industry encourage secret price concessions to capitalize upon the low cost of making "top production ice"—ice made in excess of the minimum quantity which must be manufactured to keep the plant going—he said.

This "top production ice" can be made with little or no additions to fixed charges, excepting the cost of power, and the ice producer is under the constant temptation to use this low-cost ice to steal his competitor's markets.

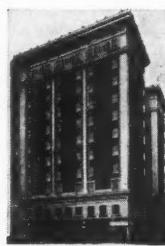
Sol Herzog, New York, counsel for the fishing, the lobster, the photographic industry, the motor vehicle parking and storage codes authorities, said each of these trades and industries has price control provisions of some kind which had worked successfully and they should be continued.

Ernst L. Flentje, assistant executive director of the divisional code authority of the plumbing contract-



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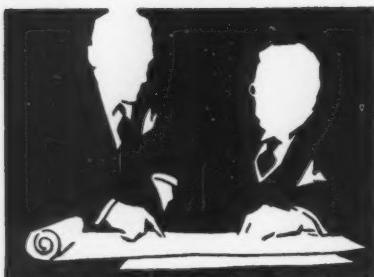
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ing division of the construction industry, read a paper for Robert J. Barrett, executive director. He said:

While some industries may have succeeded with price control provisions in our industry even our selling below cost provision was killed aborning, strangled by the umbilical cord of NRA red tape. There is still a selling below cost restriction in the code, but any complaints filed alleging violation are stifled in the NRA files.

Francis E. Neagle, counsel for the compressed air, the pump manufacturing, the heat exchange, and the laundry and dry cleaning manufacturing industries, said the codes covering these industries all included an open price filing system, that for the last named industry being a mandatory provision. He said there had been only one complaint against the provisions in the four industries.

Judge Neagle felt that, if a manufacturer wants an open price system in his code, then as a buyer he should purchase from those industries having such systems.

Emergency price protection

I. H. LEFKOWITZ, New York City retail tobacconist and member of the National Retail Tobacco Code Authority, presented his own experience as "a little man in the business."

He said the code's emergency price provision was the trade's only protection against commercial suicide. He told of a price war in which "the small tobacconist took the major loss and thousands were ruined."

William A. Hollingsworth, of the Retail Tobacco Trade Code Authority, said he represented thousands of small merchants and tobacconists in supporting the emergency price provisions of the code. He and Arthur Mayer, member of the Code Authority and representative of the A. Schulte Co., both said that price provisions are responsible at least in part for the recent improvement in sales. Both pointed out that cigarettes and cigars, with price protection, have shown increased sales, while pipe tobacco, with no price protection, has shown virtually no increase.

Joseph Alsopp, of Avon, Conn., representing tobacco farmers in that area, attributed the price decline of raw tobacco to the price stabilizing provisions in the cigar manufacturing code.

Donald P. Blake, chairman of the Retail Monument Industry Code Authority, recommended mandatory cost provisions in industries which desire them; prohibition of sales below cost; and open price filing provisions with adequate waiting periods.

R. N. Chipman, New York, chairman of the Code Authority for the

Agricultural Insecticide & Fungicide Industry, declared "there must continue to be governmental regulation of business." He urged establishment of a business tribunal to deal with controversies between business men, and to "protect the honest code-abiding business man from predatory pirates."

The tariff section in the code for the Inland Water Carrier Trade in Eastern Division of U. S., was praised by A. Lane Cricher, Chicago. He reported there had been only one complaint of discrimination under the tariff section.

L. W. Davis, Secretary of the Electrical Contractors Code Authority defended the divisional code's price control provisions, and expressed the hope that the construction code will be made permanent, with a strengthening of the open price system of bidding, enforcement of the prohibition of bids below cost, and establishing of a cost finding and cost estimating system applicable to all units in the industry.

Harold A. Dempsey, of the Southern Beauticians Association, said he favored minimum prices for all trades and industries.

Because of the keen and destructive competition in the transportation field, Joseph J. Glatzmayr, executive vice president of the Harbor Carriers of the Port of New York, recommended approval of the tentative code for the shipping industry with its provision for rate stabilization.

Without them, he said, the industry cannot continue to bear up under higher wage levels and other burdens.

Better cost finding favored

WARNER S. HAYS, chairman of the divisional Code Authority for the roofing and sheet metal contracting industry, Philadelphia, urged that more elaborate machinery for cost finding be set up in codes which include price regulations. He emphasized that "some one pays for every sale below cost," no matter what industry is involved.

H. H. Harris, New York, representing the Alloy Casting Industry Code Authority, said that the open price provision of his code had "worked better than expected."

Dr. Wilson Compton, representing the National Lumber Manufacturers Association and the American Forest Products Industries, Inc., said forest industries would have no chance to "work themselves out of the sweatshop price competition, to perpetuate forest sources of their livelihood, without regulation of production, either by the more natural methods

of sustained yield management of forest resources, or through the more artificial but flexible forms of regulation through production quotas."

C. W. Hendley, a representative of the Wholesale Coal Code Authority, told the board that Governmental price control was undesirable among the majority of members of his industry. He declared:

If this board would abolish all price fixing we would go back to an operative basis satisfactory to all before the approval of the code. Price fixing in any form must be enforceable, and it is the opinion of the members of our industry that proper legislation must be enacted to enforce Governmental price fixing.

Miss Frances Kneitel, representing the National Independent Pharmacists, Inc., of New York City, asserted that the retail drug code would not be enforceable until the manufacturer is restricted from controlling retail prices.

Change in cost finding advocated

E. P. HOYLE, Fishing Tackle Industry Code Committee, submitted a recommendation seeking retention of the cost protection provision in codes and suggested that the NRA approved cost accounting methods be amended to read "current open market or existing open market at time of purchase," instead of "purchase price or market, whichever is lower."

"This would eliminate," he explained, "any possibility of a \$50 purchase of material at distress prices being used as the basis for low costs on ten or 20 times the finished product that amount of raw material would actually produce."

Wilson V. Little, secretary of the Merchandise Warehousing Trade Code Authority, outlined the stabilization features of the code with its rate and tariff filing provision and the ten-day waiting period.

He said that, although the provisions were a step in the right direction, the industry feels that it was not permitted to go far enough because of the limitations imposed by NRA's pricing policy.

For example, Little said, a waiting period of 30 days, as the industry originally suggested, is essential. Also, he added, the code's administrative agency should have power to suspend any tariff or rate when complaint is made against it.

F. Sims McGrath, counsel for the Asbestos Industry, and Asphalt Shingle & Roofing Code Authorities, called open price filing plans the "arch-enemy of the discrimination prohibited by the Clayton Act."

Louis H. Moos argued that it is useless to attempt to enforce minimum price provisions under the code without some stability of prices at



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the production source. He contended that, under the present provision, the minimum price becomes the absolute selling price and said that the industry in the metropolitan area of New York, at least, has not been able to assure enforcement.

Lester B. Platt, representing the candle and beeswax refining Code Authority characterized the industry's code as "the only constructive group movement in 100 years," and strongly urged that the production control provision and the selling below cost prohibition be retained.

David B. Spielman, president of the Spielman Motor Sales Co., Inc., New York City, called provisions in the motor vehicle retailing code for limiting trade-in allowances on used cars forms of direct price fixing, and urged their elimination.

Roy M. Sterne, New York, attorney for the Liggett Drug Company, presented a brief for the National Retail Drug Code Authority and for George M. Gales, president of the Liggett Company, supporting the code's loss limitation provision.

"It is another way of saying that the large distributor may not sell for less than the small dealer's cost," he said.

Expressing confusion over the trend of testimony, D. G. Sherwin, vice president of the Caterpillar Tractor Co., Peoria, Ill., said he doubted any form of corrective measures could possibly be adopted which would adequately satisfy all interests.

To him price filing provisions lead to price fixing only when supporting provisions tend to remove other natural competitive advantages.

A. H. Andrews, secretary and executive officer of the Commercial Vehicle Body Industry Code Authority, said the industry is seeking relief from selling below cost activities of some of its members. He gave several reasons why he believes sales are made without regard for costs.

Price filing is important

JAMES W. BALDWIN, Washington, of the Radio Broadcasting Industry Code Authority, called the provision for open filing of rates "the heart of our code."

"The provision for open price filing, with the 15-day waiting period, is the most important provision of the code," he said.

H. R. Cole, of the Code Authority Tile Contracting Division of the Construction Industry, said his industry "wouldn't want price fixing if we could have it." The code forbids bidding below actual costs, including the manufacturer's list price of tile and true labor costs at code standards.

Norman G. Hough, executive officer of the Lime Industry Code Authority, said that elimination of the lime code's open price filing provision would plunge the industry into its former chaotic condition. It has brought stability to the lime industry and has, by no stretch of the imagination, tended toward price fixing, he said.

John M. Keating, of the Dress Code Authority, defended the uniform discount provision in his code and expressed strong convictions as to its absolute soundness. He said there had been only one violation "discovered" during the past year.

C. J. Palmer, secretary of the Beverage Dispensing Equipment Industry Code Authority, said a vital need exists in this industry for price control. He insisted that the "crying need" is a revision of NRA's pricing policies as expressed in Administrative Order 228.

Code makes better competition

ROWLAND JONES, representing the National Retail Code Authority and the National Association of Retail Druggists, defended the retail drug code.

"The code has made conditions more competitive," he said, "because, among other things, it has restrained a retailer from selling a product below the manufacturer's list prices." Retail prices are tending downward to the code minimum, he said, thus permitting varieties of competitive practices not possible before.

Reviewing the testimony, Leon Henderson, director of the Board's Research and Planning division, said:

So far as profits to business have figured in the discussions, business as a whole has not been asking government protection for anything beyond the ordinary minimums necessary to maintain wage standards, to avoid bankruptcies but not necessarily to perpetuate inefficient producers, to permit reasonable business spending, replacements and betterments of capital, and maintenance of normal inventories.

The Board has no definite disagreement with that objective, as an objective. But as to the weight to be given to the objective, as against the correlative objective of increased employment and physical output and sale of goods, I assume that the Board believes that satisfactory profits cannot be secured for business as a whole except through a stimulation of production, and through an enormous stimulation of demand.

Where the disagreement comes is as to the number of inefficient producers that must go out inevitably to maintain the competitive structure. . . . If the Board has seemed skeptical about arguments presented from the standpoint of single industries, that is not because it is hostile to such a minimum of profits as I have spoken of, but because its position forces it to take a comprehensive view of the conditions on which profits depend for business as a whole.



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Where We Need Planning the Most

(Continued from page 20)

property owners would do well to ponder. Their desire for an abundant supply of cheap labor may be their own undoing. This may come about in a "most exquisitely constitutional manner" by simply voting heavier and heavier taxes on property for the benefit of the propertyless. It may also come by violence if, as the result of a planless population, manual workers continue to multiply out of all proportion to the need for them. It is easy to show that the propertyless masses would merely be killing the goose that lays the golden eggs; but, even so, the property owners should consider whether they want to be the goose or not.

Commercial opportunities are fewer

FOR a very few of the mechanically gifted nations, commerce may, for a time, take the place of colonization. England, for a century and a half, profited enormously by this method. She bought raw materials from newly opened and sparsely populated regions, worked those raw materials into finished products, sold the finished products to other countries, and lived on the profits of the transaction. That opportunity is being closed, first by the number of rivals that are trying to play the same game; second, by the narrowing of the areas of sparse population; and, third, by tariff barriers. From now on for Europe and America, it is a choice of war for colonial and commercial expansion, population planning, or mass poverty such as one sees in the Orient where neither of the first two policies has been followed.

Communism is no cure or preventive. Where family responsibility is removed, there is no prudential or automatic check on the rate of multiplication. Russia boasts, with fatuous stupidity, that her population is doubling every 30 years. If that could go on, she would have two billion people in 90 years—a quarter of a billion now, a half billion in 1965, a billion in 1995, and two billion in 2025. Of course, her population will not reach such limits—although it is physiologically possible—for the simple reason that she cannot support so many people. It is physiologically possible to breed at that rate, but it is economically impossible to support the resulting population. Long before that number is reached, her hungry hordes, reduced to a common level of poverty by her excess population and her communism, will want more land.

They will see comparative plenty in capitalistic countries and will demand an opportunity to share in it. Europe will once more stand with her back to the Atlantic, fighting for her existence against the hungry hordes from the East. Possibly Mussolini and Hitler are more far-seeing than the rest of us and are preparing to stand together at another field of Chalons as the ancestors of their people did in A. D. 451. Who knows?

With us in the United States, the problem of maintaining a favorable man-land ratio is not acute, and is easily solved. With our present standard of living, coupled with our family system which tries to hold parents responsible for the support of their own children, our birth rate is not likely to be so high as to result in overpopulation by natural increase. So long as we were bringing in millions of immigrants with a low standard of living and a consequent high birth rate, we were not free from that danger. Such danger of this kind as remains arises from two sources. First, there is the fact that we may still bring in considerable numbers of Filipinos, Mexican peons and West Indian negroes. These have low standards of living and high birth rates, and can still swell our numbers and lower our quality, besides perpetuating and aggravating our race problems. There is the further fact that people of low mentality cannot have a standard of living like that of people of high mentality and will therefore multiply according to their animal impulses and not according to any standard of family building.

Population congestion

HOWEVER, our real danger is not that of overpopulation but of congestion. Population congestion is of two sorts, local and occupational. Local congestion can be relieved by the simple process of moving people from congested areas to sparsely populated areas. A sparsely populated area does not mean an area where the population per square mile is low, but where the ratio of the number of people to the number of opportunities to make a living is high. A desert region may be overpopulated even though there are fewer than one person per square mile.

The relief of local congestion is so easy as to cause us little perplexity. The difficult problem is that of occupational congestion. To relieve a congested occupation, now that conquest and colonization are out of fashion,

requires statesmanship of a high order. In fact, it is, and must be until the problem is solved, the chief problem of statesmanship. Moreover, it must be confessed with shame, few of our statesmen have ever shown any interest in this problem, and, what is worse, those who have attempted to grapple with it have not received much popular support. The popular political pastime seems to be to hurl maledictions at employers for not employing more men at higher wages, or at the economic system as a whole for not providing work for all whom blind biological forces can bring into existence.

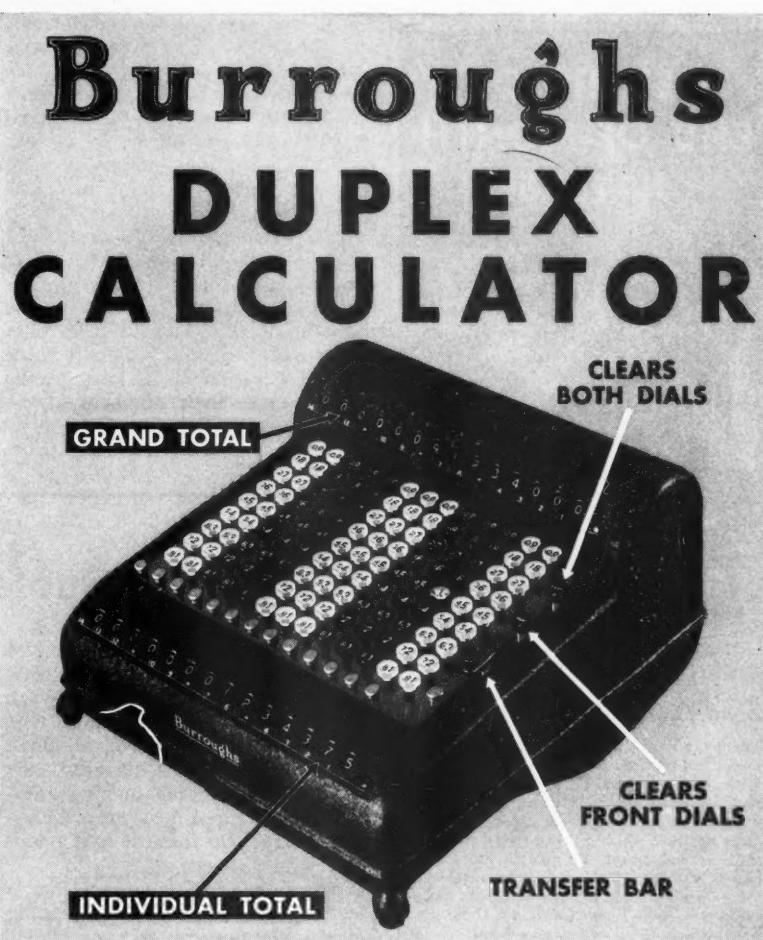
Improve our population

THE first and most obvious thing for a population planner to do in this country is to reduce all immigration quotas to the lowest possible terms and to extend the quota system to the Western Hemisphere and the Philippines. That will leave us free to provide employment for the natural increase of our own population.

The next thing to do is to provide either for the sterilization or the permanent segregation of the defective classes. The one rational thing which has come out of Hitlerism is the sterilization of defectives, unless he is preparing to stand at Armageddon as the first line of defense against the inevitable Bolshevik invasion. Unfortunately, sterilization in Germany seems to be based on the trivial reason that it costs as much to care for one defective person as for several normal persons, and that this is a total national loss. The sensible and the humane thing to do is simply to prevent the congenital defectives whom society permits to be born from inflicting the curse of a burdensome life upon future generations of their own kind.

The third thing to do is to extend the knowledge of birth control to the poorer classes that they may plan their families as the more well-to-do classes have always done. Family planning is an essential part of population planning. When family building, among all classes, displaces a mere biological urge as a source of population, the population problem, in both its quantitative and its qualitative aspects, will be solved. The optimum man-land ratio will be maintained and the congestion of the lower economic occupations will be relieved.

Birth control and family building mean larger families among the highly capable and successful as well as smaller families among the less capable and less prosperous. The differential birth rate is an important factor in the congestion of the manual



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trades and the routine occupations, and the deficit of creative workers, especially in the field of industry.

A fourth thing to do is to lend every possible encouragement to industrial enterprise. This must include a frank recognition of our indebtedness to the man who can make two jobs grow where one grew before.

A fifth thing to do is to enlarge and improve our system of popular education as rapidly as is psychologically possible. The school has been the chief agency for the relief of occupational congestion. It thins out the workers in the lower ranks and increases their numbers in the higher ranks of industry.

This should have relieved occupational congestion where it is greatest. It would have done so long ago if we had not undone the beneficent work of our schools by our efforts to create an oversupply of cheap labor—an industrial reserve army of unemployed. We have kept up this industrial reserve army by importing ignorance and brawn from countries with low standards of living, by encouraging large families among the poor, by breeding morons and other defectors.

Having been guilty of all these stupidities we now have the effrontery to pretend that we don't know why there are so many unemployed.

Callisthenes Quotes Nation's Business

SELFRIDGE & CO., Ltd., is one of England's largest department stores. It was founded 26 years ago by an American, H. Gordon Selfridge, who was a retired member of Marshall Field & Company of Chicago. It has built up its own merchandising traditions combining American and English features. On these it has grown great.

Part of its advertising program is the daily publication in the leading British newspapers of an article signed "Callisthenes," reflecting the policies, principles, and opinions of this House of Business upon various subjects. In a recent advertisement Callisthenes draws on the editorial, "It Is the Spirit that Quicketh," in NATION'S BUSINESS for December. A part of the comment:

We of this store believe that no journal can in these times do its country a better service than by defending the spirit of business enterprise against the encroachment of government interference. Without that spirit in the people of a nation, business must languish and decay, and the government activity, which depends for its very existence upon the money made by business men, must itself ultimately deteriorate in quality, scope and power.

We were therefore glad to read in NATION'S BUSINESS, a well edited and widely read journal which appears each month in Washington, an article analyzing the essential potency of the "spirit of business enterprise," indicating how it is necessary to the commercial and industrial life of any nation, and how it is endangered by the parasitic spread of government restriction and interference.

The spirit of business enterprise, it says, is "an intangible force which is the most powerful factor in any undertaking involving the exchange of commodities, labor, and services. From this spirit springs animation, eagerness, and zeal, while in the lack of it are developed languor, lifelessness, dejection, and hopelessness."

What is wrong with a great deal of the hasty and repressive legislation which during the past few years has been rushed onto the statute books in every country is too low an estimate of the value of business enterprise in the life of the nation.

Governments all over the world, and those who have jobs under them, too often seem to think that business automatically comes into existence by the mere presence of population. They have a notion that there is a certain amount of business to be done and anyone who happens to be at hand can do it. Business, they think, is a sort of natural and regular product which only needs organizing.

To such people, business management is not a creative force at all; it is only the capacity to supervise and direct a process which would be just as strong if carefully drilled managers had never existed. Running a business, as they see it, is only a subordinate activity for subordinate people. Members of the governing body, having out of their heads, so to speak, drawn up a general policy, can leave the management to anyone capable of carrying out written instructions.

This conception of business enterprise is fantastically and dangerously wrong.

Business is creative

BUSINESS enterprise is a creative, not a regulative force. It is not the irrigation canal cut off the fertilizing river; it is the fertilizing river itself. There is no spontaneous generation of great businesses: they are built by the ambition, the imagination, the daring, the enduring energy of strong personalities. Any system of government which destroys or discourages these personal qualities in its citizens is destroying not only business, but the ground on which the edifice of government itself stands. . . .

Business enterprise is a vital form of energy. . . .

That energy can be destroyed and diminished by hostile or predatory politics. It can be destroyed no less by the well meaning theorist who thinks he can substitute a new main spring for the whole economic life of a country or, in default of that, can make it function without any main spring at all.



Mister... how long have you put up with that clattering old typewriter of yours?

3..5..7 years!...then listen:

, Ever wished for a little quiet in your office, when you wanted to telephone . . . or think? Ever figure that noise costs money . . . and tires your typists as much as it does you? Wouldn't it pay you to trade in that old typewriter . . . and get an up-to-date machine, faster, more efficient . . . and *SILENT*?

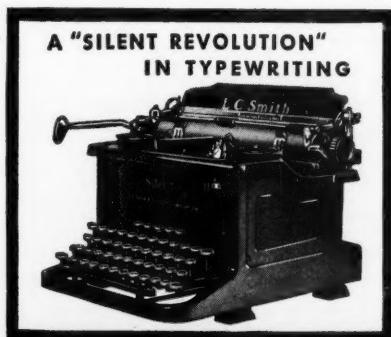
Typists say it's a joy to operate this new Silent L C Smith. But you have to see it . . . and *hear* it . . . to appreciate the difference.

Why not phone our nearest branch or dealer to bring one in and demonstrate it . . . *FREE*. Or use this coupon.

L C SMITH & CORONA TYPEWRITERS INC
105 Almond Street, Syracuse, N. Y.

Tell your nearest man to phone me for demonstration appointment and quote me trade-in on my typewriter.

Name Address City





C. I. T. Service is only 6 inches away

Have you a problem with your instalment sales? Why don't you phone the C. I. T. Office in your city, or nearby, and have our representative stop in for a talk about your situation?

As the oldest and largest independent financing concern, we have acquired a fund of experience through serving firms in many lines of business. And every C. I. T. field man is a trained finance man, able to contribute to any discussion of credit merchandising.



If he decides you need C. I. T. Service, he will help you gauge what it will mean in overhead economies, bettered collections . . . and all-around cooperation in making your instalment sales net a satisfactory profit.

Affiliated Operating Companies with Head Offices in New York, Chicago, San Francisco, Toronto, Canada. Also Completely Functioning Local Finance Offices in the Principal Cities.

COMMERCIAL INVESTMENT TRUST INCORPORATED

Executive Offices: One Park Ave., New York

Unit of COMMERCIAL INVESTMENT TRUST CORPORATION—CAPITAL AND SURPLUS OVER \$75,000,000

What Bankers and Investors Discuss

THE new banking bill on which the newspapers plaster the "administration" label will arouse controversy on many points. Here are a few:

The larger banks resent the provision for deposit insurance which levies upon deposits up to their full amount. The proposed levy is one twelfth of one per cent as against an earlier proposal of one-eighth of one per cent. That, these banks insist, may be helpful, but does not overcome what they consider is a basic injustice. Here's the situation as they look at it:

A large bank in Chicago or St. Louis or New York or Boston may carry comparatively few accounts whose daily average is as small as \$5,000, the insured amount. Yet it must pay in proportion to all its total deposits. An account of \$200,000 would be levied against not on the \$5,000 only but on the other \$195,000 as well. Banks just now aren't earning enough on their capital funds to look with pleasure on payments in proportion to deposits even if those are only one-twelfth of one per cent. However, this point concerns only the very large banks.

Mortgages for money

ANOTHER point going deeper into the principles of banking is that concerning loans on real estate by national banks. The proposed law would make it possible to lend up to 75 per cent of assessed value, making 20 year loans amortizable every five years. These loans then, as sound assets of the bank, become eligible for rediscount at the Federal Reserve Bank. In other words a mortgage becomes a part of the Reserve Bank assets against currency. The point is sure to be raised that this may greatly increase the possibilities of credit and currency inflation.

Centralized banking

A THIRD, and perhaps still more important point to merit consideration lies in the proposal to increase the power of the Federal Reserve Board as against the Federal Reserve Banks. Some bankers see in this a dangerous step toward centralization of control over the banking business in the hands of Washington. They fear an increased political control over a most important branch of business.

The new bill was described as making a "few changes" in the existing

law. As a matter of fact it is a document of 78 pages, much bigger in bulk than the Banking Act of 1933.

Business wants private banking

THE declarations on banking adopted recently by the Joint Business Conference for Economic Recovery at White Sulphur Springs might here be quoted:

It is of the greatest importance to business that the banks in which its deposits are placed be privately owned and managed, under the supervision of existing agencies properly coordinated and consolidated, and that the control of primary and reserve credit be independent of governmental domination and political influence.

Frequent substantial changes in the banking laws are disturbing to business. Except for minor adjustments, it is hoped that no banking legislation of a comprehensive nature will be undertaken before the field of banking is re-examined by a competent commission.

Taxes have been raised

THE proposed new federal taxes to finance President Roosevelt's various social insurance plans may make the taxpayer pause and contemplate what has happened to his pocketbook since the coming of the New Deal.

Actually the federal tax burden will have been increased approximately \$2,000,000,000 a year by legislation already passed by Congress or now pending. Taxes already enacted since March 4, 1933, aggregate approximately \$1,283,000,000, and those recommended for the new social security program will bring the total of new taxation to \$1,943,000,000 per year. Two billion dollars a year would have been a lot in the dead days of 1927-29, but so vastly have federal expenditures grown under the New Deal that two billions is only a trifle now.

Discovery that the Federal tax load has, or soon will have, jumped by \$2,000,000,000 is almost a shocking surprise. The New Deal has been paying lip service to the policy of not increasing taxation. The taxpayer is in the position of a patient in a dentist's chair who suddenly realizes that while the charming dentist was telling him it wouldn't hurt, the forceps have been busy yanking out all of his teeth.

President Roosevelt himself has repeatedly said that increased taxation would not be requested. In his budget message a year ago he spoke only of \$50,000,000 in proposed liquor taxes and of \$150,000,000

from improvement in the income tax structure. This year his budget message, read to Congress a bare two weeks before the presentation of his social security program, was even more self-denying. In it Mr. Roosevelt said: "I do not consider it advisable at this time to propose any new or additional taxes for the fiscal year 1936."

These remarks have been an anesthetic while new tax measures were extracting \$2,000,000,000 additional each year in the following ways:

Processing taxes.....	\$ 570,000,000
Liquor taxes.....	430,000,000
Liquor tariffs.....	32,000,000
Income tax changes.....	150,000,000
NRA code assessments.....	100,000,000
Tax on silver profits.....	1,000,000
Taxes for unemployment insurance (proposed).....	600,000,000
Taxes for old age insurance (proposed).....	60,000,000
Total	\$1,943,000,000

All these estimates, except those for code assessments and the two proposed social security taxes, come from the treasury department and are for the fiscal year 1935-36, which opens next July 1. Since the processing taxes are actually eight separate levies on the processing of wheat, hogs, cotton, peanuts, etc., this list comprises 14 new taxes.

Some of them, like the liquor and processing taxes, are already old acquaintances. Others, like the NRA code assessments, have mushroomed into existence so rapidly that even their sponsors know little about them. The NRA does not know the total of its various code assessments, and the figure used above is merely the best available estimate.

The proposed social security taxes are both the most recent and the largest. The old age insurance tax, moreover, is graduated so that it will eventually become much more costly. Their advent should be a \$660,000,000 reminder that we are paying for a part of the New Deal here and now.

New treasury financing

THE Treasury Department, to borrow a Broadway columnists' phrase, is blessed-eventing. About the time this article sees the light of day, Secretary of the Treasury Morgenthau will be presenting to the country for the first time the Government's new "baby-bonds."

Already nicknamed "baby bonds," the new Treasury securities will be christened officially "savings bonds."

The new baby bonds will possess

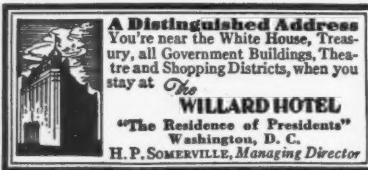
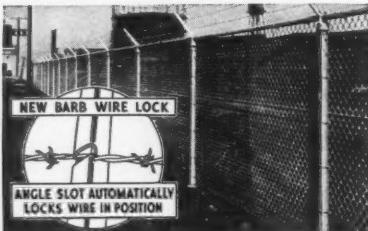
For LOWER COST
PER YEAR OF SERVICE
CONTINENTAL
Chain Link FENCE

BUILT right, priced right, erected properly and guaranteed to your entire satisfaction. Continental Chain-Link Fence will cost you less per year of service, provides adequate protection, and greatly increases both the appearance and value of property.

Our experienced staff of fence engineers will gladly assist in solving your fence problems—no obligation for estimates.

CONTINENTAL STEEL CORP.
Kokomo, Indiana

Distributors in all principal cities.



five characteristics distinguishing them from other Government securities. These characteristics are:

1. They are meant for the man of small means. They will be sold in denominations as low as \$25, and their volume will be unlimited so that, even if they wished to, banks and large investors cannot snap up the whole supply before more insignificant persons realize what is going on.

2. They will be offered for sale through every post office in the country at the first of every month.

3. Their interest, not to exceed 3 per cent, will be compounded, and the bonds themselves will be sold on a discount basis.

4. They will be redeemable at any time by the Treasury, but, since they will be non-transferable, there will be no open market for them as there is for other Treasury obligations.

5. They will be comparatively costly to the Treasury since officials estimate that for every \$1,000,000 worth of bonds sold the Treasury will incur costs of \$10,000 in issuing and redeeming them.

The Treasury hopes that they will be purchased by frugal souls who every month will stow away even as little as \$25 in one of these bonds. Ten years from now (the savings bonds are to have maturities ranging from 10 to 20 years) a person who follows this simple investment plan will find his money, plus interest, coming back to him month by month with the regularity of a pay check.

On its face this plan appears to resemble and to compete with endowment insurance. The Treasury admits this potential competition. Bankers who recall the old war sav-

ings and treasury savings bonds will remember also that they competed not only with insurance but with the savings deposits in commercial banks. Persons drew their money from banks to buy savings bonds. Eventually the protests of banks forced discontinuance of the war savings bonds.

One of the chief reasons the Treasury revived the savings bond idea originated with the banks. Banks have been refusing to take postal savings money. Regulations require banks to pay the Treasury 2½ per cent on postal savings money deposited with them. The general decline in bank earnings and the growth in postal savings balances have made this 2½ per cent a burden the banks no longer wish to carry. Therefore, they have been handing postal savings money back to the Treasury, leaving the problem of investing it up to the Government.

May cut postal savings

THE savings bonds are to be an alternative to postal savings. One of the provisions of the Doughton bill instructs the Postmaster General to allow withdrawal of postal savings deposits without the usual 60 day notice and without loss of interest if the withdrawal is made in order to purchase one of the new "baby bonds."

Although the new savings bonds may be helpful to the Treasury as an outlet for postal savings funds, they will have a compensating disadvantage, for they will be expensive for the Treasury to handle—like most babies. Their heavy handling costs arise from the fact that a great many bonds must be issued and redeemed.

In ordinary Treasury financing the purchase of a single million dollar note by one large investor or bank is not unusual. Only one piece of paper needs to be printed, issued, and redeemed. The cost is low.

Under the "baby bond" system, however, 40,000 bonds of \$25 each might be printed, issued, and redeemed by the Treasury to raise the same million dollars.

Experts told Secretary Morgenthau that the cost of issuing and redeeming his "baby bonds" would aggregate approximately 1 per cent of the total issue. They pointed out that to issue \$1,641,000,000 worth of war savings and treasury savings bonds had cost the Government \$12,257,000, or seven-tenths of 1 per cent. This was for issuing alone.

Redemption was another heavy expense. Four hundred extra employes had to be hired by the Treasury when the war savings and treasury savings bonds began to mature in large vol-

UNBELIEVABLE BARGAIN
BRAND NEW
7 DAY FREE TRIAL OFFER
REMINGTON ADDING MACHINE

ONLY 17¢ A DAY

First time! This full-fledged Remington Adding Machine only 17¢ a day! A beautiful brand-new machine that adds or multiplies up to \$9,999,999.99. Modern 10-key keyboard for simplicity and speed. Automatic ribbon reverse. Every essential feature of large machines costing twice the price. Weighs only 11 lbs. and may be carried anywhere! Never before offered at such terms. The biggest adding machine value ever offered. But don't delay. Increased manufacturing costs permit price to be guaranteed for a limited time only. Mail coupon NOW, while our liberal offer still lasts!

You don't risk one cent Try this new Remington Adding Machine for 7 days. Then if you don't agree it is best value at any price, return it at our expense. Take advantage of lowest terms in history. Mail coupon Today!

CLIP COUPON NOW

Remington Rand Inc.
Dept. AD-3, Buffalo, N. Y.
Please tell me how I can buy a new Remington Adding Machine for 17¢ a day.

Name _____
Address _____
City _____

ume. The amount of trouble which a non-transferable midget bond could accumulate in 10 years was discovered to be colossal.

More costly to issue

SECRETARY Morgenthau has had no desire to bring this disadvantage into the spotlight. When his experts told him that the cost of the bonds would be 1 per cent of their face value, he did not, contrary to ordinary practice, ask for an appropriation of that amount to meet the costs. Instead Section 22, paragraph D, of the Doughton bill ambiguously extends the old appropriation made to pay for the flotation of wartime Liberty bonds to pay for the new "baby bonds."

Incidentally, one precaution will be taken to minimize recurrence of competition between Government savings bonds and ordinary bank deposits. Whereas interest on a savings account would run evenly at, say 2½ per cent each year, a 2½ per cent savings bond will not work that way. The Treasury might pay 1 per cent the first two years, advancing the rate slowly until in the last years the rate might be 3 or 3½ per cent. The average over the life of the bond would be 2½ per cent.

To Aid Exporters

THE Chairman of the American Committee of the International Chamber of Commerce has announced that John P. Gregg, Manager of the American Section of that organization, has resigned to undertake work on behalf of private business interests in connection with the foreign trade agreements now being negotiated by the American Government.

The law as approved last June provides that, prior to actual negotiation, business and other interests may submit their views with regard to any proposed foreign trade agreement.

Mr. Gregg's experience with the International Chamber fits him for his new work. Much of the effort of the American Section during the eight years in which Mr. Gregg has been with it has been directed toward removal of obstacles to the sale of American products abroad.

That business interests with substantial foreign markets will benefit from the concessions made by foreign governments in the form of lowered tariffs or modified exchange regulations in return for similar concessions by this Government is becoming increasingly apparent.

Chauncey D. Snow, of the Chamber of Commerce of the United States, succeeds Mr. Gregg.

HOW BIG is BOSTON?

First among large cities in per capita retail sales with \$514 compared to United States average of \$230.



Second only to New York in density of population.



Fourth largest market in America (Metropolitan Boston—thirty-mile trading area—has a population of 2,834,939).



Ninth largest city in the United States (Corporate Boston).



Retail sales in Boston exceed those of thirty-nine different states and are greater than the *combined total* of ten states.

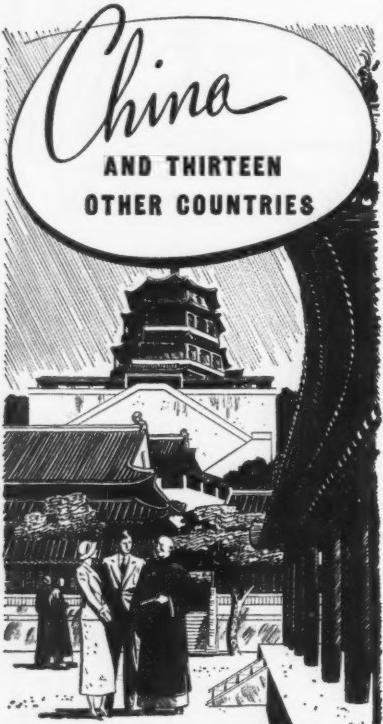


For more information on the Boston market use the address below. **BOSTON WHARF COMPANY** is a fully-developed industrial area with ninety modern buildings, situated only ten minutes distance from downtown Boston. Here is the ideal location for your branch plant or warehouse. Now serving twenty-nine different industries, of all sizes and kinds . . . Rents, other charges, relatively low. Write for particulars.

BOSTON WHARF COMPANY

259 Summer Street, Boston, Mass.

If you stay with the ship, you can sail by President Liner Round the World in 104 days. You can, but you probably won't. For somewhere in this thrilling 26,000-mile cruise, perhaps in many places, you'll want to stay awhile. It may be in Hawaii, Japan, China, the Philippines, Malaya, Ceylon, India, Egypt, Italy, France or in others of the 14 fascinating countries that President Liners visit. No matter where you want to plan stopovers, President Liners let you do so... seeing the world for as little as \$854 First Class.



ROUND THE WORLD

Every two weeks a President Liner sails from New York and California Round the World, visiting 21 ports throughout the seven seas. You can stopover, explore some quaint place the guidebooks have forgotten, then continue on another President Liner with the same comfort and fine service as the ship you left. Take up to two full years if you wish.

President Liners are big, luxurious ships—more than 520 feet long—famous for their steady-riding qualities, their atmosphere of informality and their food. Your travel agent will gladly show you pictures of accommodations (every stateroom is outside). Or see any of our offices: 604 Fifth Ave., New York; 110 S. Dearborn St., Chicago; Statler Bldg., Boston; 311 California St., San Francisco; 514 W. Sixth St., Los Angeles; Washington, D.C., Toronto, Cleveland, Seattle, Tacoma, Portland, San Diego, Vancouver and Victoria, B.C.

**DOLLAR STEAMSHIP LINES
AND AMERICAN MAIL LINE**

★ THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

Advertising Is Not On The Defensive

IN the last twenty-five years, advertisers in the United States have done many fine, constructive jobs on which the advertising business can take a firm stand against charges being made by careless and uninformed persons.

World War statistics show American soldiers had the finest teeth of all the armies in the world. It was agreed by army medical staffs that this was a direct result of the various "take care of your teeth" campaigns that dentifrice advertisers have been conducting for more than thirty years. The surgeons were appalled at the teeth conditions they found in the other armies—armies coming from countries where care of the teeth has never been properly publicized.

Advertising campaigns for cereals have stimulated research on the proper diet for babies, as never would have been done without advertising. The cereal advertisers have trained a new race of mothers who know how to feed their babies intelligently.

Cod Liver Oil Campaigns resulted in the discovery of vitamin D and have helped parents to build up the health of their children so that they are not as susceptible to disease today as they were in past generations.

Diphtheria and other scourges that claimed the lives of hundreds of thousands of children annually, have been practically wiped out, through the publicizing of the research work which pharmaceutical houses have done in locating the causes of children's diseases, contagious and otherwise, and evolving serums to combat them.

Orange and tomato juice campaigns have helped build up the health of the American people as a whole, and in addition have increased the prosperity of the states where oranges and tomatoes are grown, and have provided work for many additional thousands of people.

If the rayon producers of this country had not promoted the use of this man-made fabric and created a nation-wide market for it, Japan would have a monopoly of both the silk and rayon businesses today.

These are only a few of the examples that could be cited of the far-reaching and practical value of constructive advertising in the United States. Advertising does not need to take the defensive against its critics.

J. M. MATHES, President
J. M. Mathes, Incorporated, New York

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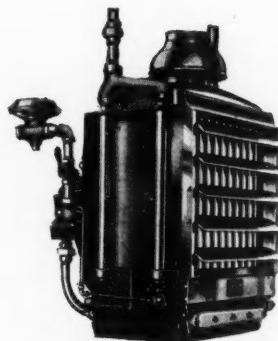


DESIGN . . .

The genius of Emerson Engineers really finds expression inside the covers of the Emerson Motor, for it is here that the great difference in adaptability to a specific task occurs.

Long years of patient research—hundreds of tests with specially designed scientific equipment—precision manufacturing—all play a vital part in the designing of an individual motor for your individual needs.

Emerson's facilities are splendidly capable of meeting the varying requirements of design, quantity and delivery—and Emerson's modern production methods enable Emerson Motors to be sold competitively. Write today for booklet 3-N. "A Trip thru the Emerson Plant".



**HUMPHREY GAS
UNIT HEATER**

Motor designed by Emerson

The General Gas Light Company, Kalamazoo, Michigan, has pioneered and progressed remarkably in the development of forced circulation gas heating equipment for domestic, commercial and industrial use. The motor in its Humphrey Gas Unit Heaters was designed by Emerson.

EMERSON MOTORS

3 HP and smaller—Single-phase—Polyphase—Direct Current

THE EMERSON ELECTRIC MFG. CO.
NEW YORK ST. LOUIS CHICAGO

LEADERS IN THE FAN AND MOTOR INDUSTRY SINCE 1890

After 105 years

*this pipe was uncovered,
inspected and okayed.*



AT AN official inspection of the cast iron main shown at right, former Mayor Mackey of Philadelphia said over the radio: "Notwithstanding the great changes that have taken place in our city, this cast iron pipe stands perfect in all its integrity as disclosed to us tonight after having made the excavation and taken out a section." Now 105 years old, this line of cast iron pipe is good for many more years of service.

Cast iron pipe with bell-and-spigot joints offers a combination of pipe material and design that is time-tested and proved by mains still in use after serving 100 to 200 years and longer.

The four major economies resulting from the long life of cast iron pipe are due to its effective resistance to rust. Cast iron is the one ferrous metal for water and gas mains, and for sewer construction, that will not disintegrate from rust. This characteristic makes cast iron pipe the most practicable for underground mains since rust will not destroy it.



The 4 Economies of Cast Iron Pipe

1. Official records of cast iron pipe laid 100 to 200 years ago and still in service, prove that it is *cheapest in the end*.
2. Official reports on file in the office of a prominent technical publication, prove that cast iron pipe is *cheapest to maintain*.
3. Long-lived pipe obviously causes less street-opening for replacements and repairs. Therefore, cast iron pipe *saves money on street-openings*.
4. When replaced by larger pipe, or a main is abandoned or rerouted, cast iron pipe *pays a final dividend in salvage value*.

For further information, address The Cast Iron Pipe Research Association, Thomas F. Wolfe, Research Engineer, 122 So. Michigan Ave., Chicago, Ill.

CAST IRON PIPE

METHODS OF EVALUATING BIDS NOW IN USE BY ENGINEERS



RATE THE USEFUL LIFE OF CAST IRON PIPE AT 100 YEARS

